

## Part 1 - Information required for announcements of quarterly (Q1, Q2 &amp; Q3), half-year and full year results

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

## Consolidated Statement of Comprehensive Income

|   | ----- Group ----->   |                 |             | ----- Group ----->       |                 |             |
|---|----------------------|-----------------|-------------|--------------------------|-----------------|-------------|
|   | Quarter ended 30 Sep |                 |             | Nine months ended 30 Sep |                 |             |
|   | 2016<br>S\$'000      | 2015<br>S\$'000 | Change<br>% | 2016<br>S\$'000          | 2015<br>S\$'000 | Change<br>% |
| <b>Revenue</b>  | 1,920                | 1,430           | 34          | 5,739                    | 4,318           | 33          |
| Cost of sales   | (423)                | (392)           | 8           | (821)                    | (1,292)         | (36)        |
| Gross profit  | 1,497                | 1,038           | 44          | 4,918                    | 3,026           | 63          |
| Other income  | 188                  | 2,279           | (92)        | 4,413                    | 3,098           | 42          |
| Distribution and selling expenses                                   | (275)                | -               | NM          | (1,064)                  | -               | NM          |
| Administrative expenses   | (1,065)              | (1,309)         | (19)        | (4,372)                  | (3,692)         | 18          |
| Other expenses  | 368                  | (1)             | NM          | (1,775)                  | (463)           | >100        |
| Finance costs   | (121)                | (74)            | 63          | (518)                    | (146)           | >100        |
| <b>Profit before taxation</b>                                       | 591                  | 1,933           | (69)        | 1,601                    | 1,823           | (12)        |
| Income tax expenses   | -                    | -               | -           | 95                       | 7               | >100        |
| <b>Net profit for the period (note (i))</b>                         | 591                  | 1,933           | (69)        | 1,696                    | 1,830           | (7)         |
| <b>Other comprehensive income</b>                                   |                      |                 |             |                          |                 |             |
| Foreign currency translation  | 622                  | -               | NM          | (2,174)                  | 831             | NM          |
| <b>Other comprehensive income/(loss) for the period, net of tax</b> | 622                  | -               | NM          | (2,174)                  | 831             | NM          |
| <b>Total comprehensive income/(loss) for the period</b>             | 1,214                | 1,933           | (37)        | (477)                    | 2,661           | NM          |
| <b>Net profit attributable to:</b>                                  |                      |                 |             |                          |                 |             |
| Owners of the parent  | 624                  | 1,936           | (68)        | 1,717                    | 1,840           | (7)         |
| Non-controlling interests   | (32)                 | (3)             | >100        | (20)                     | (10)            | >100        |
|   | 591                  | 1,933           | (69)        | 1,696                    | 1,830           | (7)         |
| <b>Total comprehensive income attributable to:</b>                  |                      |                 |             |                          |                 |             |
| Owners of the parent  | 1,214                | 1,933           | (37)        | (472)                    | 2,666           | NM          |
| Non-controlling interests   | -                    | -               | -           | (5)                      | (5)             | -           |
|   | 1,214                | 1,933           | (37)        | (477)                    | 2,661           | >100        |

NM - Not meaningful

**Note (i) – Net profit for the period**

This is determined after charging/(crediting) the followings:

|   | <----- Group -----> |         | <----- Group -----> |         |
|---|---------------------|---------|---------------------|---------|
|   | Quarter ended       |         | Nine months ended   |         |
|   | 30 Sep              |         | 30 Sep              |         |
|   | 2016                | 2015    | 2016                | 2015    |
|   | S\$'000             | S\$'000 | S\$'000             | S\$'000 |
| Fair value loss on held for trading investment securities | -                   | (2)     | -                   | (427)   |
| Gain on change in fair value of investment properties     | -                   | -       | 4,000               | -       |
| Gain/(loss) on disposal of property, plant and equipment  | (5)                 | 4       | 48                  | 44      |
| Interest income   | 9                   | 3       | 20                  | 15      |
| Net foreign exchange gain/(loss)                          | 373                 | 2,139   | (1,737)             | 2,692   |
| Depreciation of property, plant and equipment             | (442)               | (597)   | (1,336)             | (1,770) |

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

| Balance Sheets                                     | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 30.09.2016 | 31.12.2015 | 30.09.2016 | 31.12.2015 |
| Assets   | S\$'000    | S\$'000    | S\$'000    | S\$'000    |
| <b>Non-current assets</b>                          |            |            |            |            |
| Property, plant and equipment                      | 14,576     | 15,989     | 30         | 43         |
| Investment properties                              | 103,079    | 102,389    | 276        | 276        |
| Investments in subsidiaries                        | -          | -          | 1,000      | 1,000      |
|  | 117,655    | 118,378    | 1,306      | 1,319      |
| <b>Current assets</b>                              |            |            |            |            |
| Development property                               | 17,838     | 14,440     | -          | -          |
| Inventories  | 607        | 627        | -          | -          |
| Biological assets                                  | -          | 206        | -          | -          |
| Trade receivables                                  | 6,618      | 4,764      | -          | -          |
| Other receivables, deposits and prepayments        | 1,291      | 1,126      | 6          | 20         |
| Amounts due from subsidiaries                      | -          | -          | 91,680     | 84,367     |
| Amounts due from non-controlling shareholders      | 15         | -          | -          | -          |
| Investment securities                              | 2          | 3          | -          | -          |
| Cash and cash equivalents                          | 4,789      | 3,419      | 3,531      | 64         |
|  | 31,160     | 24,584     | 95,217     | 84,451     |
| <b>Total assets</b>                                | 148,815    | 142,962    | 96,523     | 85,770     |
| <b>Equity and liabilities</b>                      |            |            |            |            |
| <b>Current liabilities</b>                         |            |            |            |            |
| Trade payables                                     | 846        | 3,465      | -          | -          |
| Other payables and accruals                        | 6,458      | 3,430      | 264        | 904        |
| Amounts due to subsidiaries                        | -          | -          | 8,985      | 9,254      |
| Loans from a director                              | -          | 4,737      | -          | -          |
| Provision for taxation                             | 36         | 135        | -          | -          |
| Loans and borrowings                               | 2,300      | 6,757      | -          | -          |
|  | 9,640      | 18,524     | 9,249      | 10,158     |
| <b>Net current assets</b>                          | 21,520     | 6,060      | 85,968     | 74,293     |
| <b>Non-current liabilities</b>                     |            |            |            |            |
| Deferred tax liabilities                           | 13,601     | 14,090     | -          | -          |
| Loans and borrowings                               | 5,314      | 2,772      | -          | -          |
| Other payables and accruals                        | 1,350      | 1,415      | -          | -          |
|  | 20,265     | 18,277     | -          | -          |
| <b>Total liabilities</b>                           | 29,905     | 36,801     | 9,249      | 10,158     |
| <b>Net assets</b>                                  | 118,910    | 106,161    | 87,274     | 75,612     |
| <b>Equity attributable to owners of the parent</b> |            |            |            |            |
| Share capital                                      | 90,102     | 76,897     | 90,102     | 76,897     |
| Other reserves                                     | 44,531     | 46,705     | (459)      | (459)      |
| Accumulated losses                                 | (15,779)   | (17,517)   | (2,370)    | (826)      |
|  | 118,854    | 106,085    | 87,273     | 75,612     |
| Non-controlling interests                          | 56         | 76         | -          | -          |
| <b>Total equity</b>                                | 118,910    | 106,161    | 87,273     | 75,612     |
| <b>Total equity and liabilities</b>                | 148,815    | 142,962    | 96,523     | 85,770     |

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

|  | As at 30.09.2016 |           | As at 31.12.2015 |           |
|--|------------------|-----------|------------------|-----------|
|  | Secured          | Unsecured | Secured          | Unsecured |
|  | S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| Amount repayable in one year or less, or on demand | 2,300            | -         | 6,757            | -         |
| Amount repayable after one year                    | 5,314            | -         | 2,772            | -         |

Details of any collaterals

As at 30 September 2016, the Group's borrowings were secured by way of the followings:-

- Charge and assignment over all bank accounts of a subsidiary;
- Assignment of all receivables of a subsidiary;
- Charge over all shares of a subsidiary;
- Legal mortgage over freehold land of a subsidiary;
- Charge over specified lists of vehicles, machineries and equipment of two subsidiaries; and
- Assignment of interests in insurance policies of two subsidiaries.

- 1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.  
**Consolidated Cash Flow Statement**

|   | <----- Group -----> |                 | <----- Group -----> |                   |
|---|---------------------|-----------------|---------------------|-------------------|
|   | Quarter ended       |                 | Nine months ended   |                   |
|   | 30 Sep              |                 | 30 Sep              |                   |
|   | 2016                | 2015            | 2016                | 2015              |
|   | S\$'000             | S\$'000         | S\$'000             | S\$'000           |
| <b>Cash flows from operating activities</b>                                   |                     |                 |                     |                   |
| Profit before taxation  | 591                 | 1,933           | 1,599               | 1,823             |
| <u>Adjustments for:</u>   |                     |                 |                     |                   |
| Interest expense  | 26                  | 74              | 81                  | 146               |
| Depreciation of property, plant and equipment                                 | 442                 | 597             | 1,336               | 1,770             |
| Change in fair value of investment properties                                 | -                   | -               | (4,000)             | -                 |
| Disposal of property, plant and equipment                                     | 5                   | (4)             | (48)                | (44)              |
| Fixed assets written off  | -                   | -               | -                   | 36                |
| Foreign exchange adjustments  | (291)               | (1,989)         | 1,038               | (2,549)           |
| Fair value loss on held for trading investment securities                     | -                   | 2               | -                   | 427               |
| Interest income   | (9)                 | (3)             | (20)                | (15)              |
| <b>Operating cash flows before working capital changes</b>                    | <b>764</b>          | <b>610</b>      | <b>(14)</b>         | <b>1,594</b>      |
| <u>Changes in working capital</u>   |                     |                 |                     |                   |
| Trade and other receivables   | (52)                | (9,963)         | (2,216)             | (10,387)          |
| Development properties  | (2,143)             | (1,598)         | (3,400)             | (3,231)           |
| Inventories and biological assets   | 116                 | 17              | 198                 | 83                |
| Amounts due non-controlling shareholders                                      | -                   | -               | -                   | 831               |
| Trade and other payables  | (120)               | 165             | 767                 | (99)              |
| <b>Cash flows used in operations</b>  | <b>(1,434)</b>      | <b>(10,769)</b> | <b>(4,664)</b>      | <b>(11,209)</b>   |
| Interest paid   | (26)                | (38)            | (81)                | (110)             |
| Income tax received/(paid)  | -                   | -               | (10)                | 6                 |
| Interest received   | 9                   | 3               | 20                  | 15                |
| <b>Net cash flows used in operating activities</b>                            | <b>(1,451)</b>      | <b>(10,804)</b> | <b>(4,735)</b>      | <b>(11,298)</b>   |
| <b>Cash flows from investing activities</b>                                   |                     |                 |                     |                   |
| Purchase of property, plant and equipment                                     | (157)               | (233)           | (681)               | (748)             |
| Proceeds from sale of property, plant and equipment                           | 30                  | 56              | 255                 | 207               |
| <b>Net cash flows used in investing activities</b>                            | <b>(127)</b>        | <b>(177)</b>    | <b>(426)</b>        | <b>(541)</b>      |
| <b>Cash flows from financing activities</b>                                   |                     |                 |                     |                   |
| Proceeds from overdrafts/term loans   | 33                  | 5,424           | 405                 | 5,424             |
| Repayment of term loans   | (199)               | (113)           | (2,158)             | (1,187)           |
| Loan from a director  | -                   | 5,554           | -                   | 5,554             |
| Repayment of loans from a director  | -                   | -               | (4,752)             | -                 |
| Proceeds from/(Repayment to) hire purchase creditors                          | (22)                | (20)            | (63)                | (60)              |
| Payment of dividends to minority share of subsidiary                          | -                   | -               | -                   | (997)             |
| Proceeds from issuance of rights shares                                       | -                   | -               | 9,605               | -                 |
| Proceeds from issuance of placement shares                                    | 3,600               | -               | 3,600               | -                 |
| <b>Net cash flows from financing activities</b>                               | <b>3,413</b>        | <b>10,845</b>   | <b>6,637</b>        | <b>8,734</b>      |
| <b>Net decrease in cash and cash equivalents</b>                              | <b>1,835</b>        | <b>(136)</b>    | <b>1,476</b>        | <b>(3,105)</b>    |
| <b>Cash and cash equivalents at beginning of period</b>                       | <b>2,922</b>        | <b>2,288</b>    | <b>3,419</b>        | <b>5,202</b>      |
| <b>Effect of exchange rate changes on balances held in foreign currencies</b> | <b>33</b>           | <b>207</b>      | <b>(105)</b>        | <b>262</b>        |
| <b>Cash and cash equivalents at end of period</b>                             | <b>4,789</b>        | <b>2,359</b>    | <b>4,789</b>        | <b>2,359</b>      |
| <u>Cash and cash equivalent at end of period</u>                              |                     |                 |                     |                   |
|   |                     |                 | <b>30.09.2016</b>   | <b>30.09.2015</b> |
|   |                     |                 | <b>S\$'000</b>      | <b>S\$'000</b>    |
| <b>Cash at bank and in hand</b>   |                     |                 | <b>4,043</b>        | <b>1,954</b>      |
| <b>Fixed deposits with financial institutions</b>                             |                     |                 | <b>746</b>          | <b>405</b>        |
|   |                     |                 | <b>4,789</b>        | <b>2,359</b>      |

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.

Statements of Changes in Equity

|  | <u>Attributable to owners of the parent</u> |                    |                 |                           |                              |                           | Equity total |
|--|---|--------------------|-----------------|---------------------------|------------------------------|---------------------------|--------------|
|  | Share Capital                               | Accumulated losses | Capital reserve | Asset revaluation reserve | Currency translation reserve | Non-controlling interests |              |
|  | S\$'000                                     | S\$'000            | S\$'000         | S\$'000                   | S\$'000                      | S\$'000                   | S\$'000      |
| <b>Group</b>   |   |                    |                 |                           |                              |                           |              |
| <b>Balance at 1 January 2015</b>   | 76,897                                      | (23,006)           | 481             | 39,614                    | 1,966                        | 1,255                     | 97,207       |
| Net foreign exchange difference arising on consolidation                                     | -   | -                  | -               | -                         | 2,024                        | 6                         | 2,030        |
| Exchange differences on monetary items forming part of net investment in a foreign operation | -   | -                  | -               | -                         | 1,217                        | -                         | 1,217        |
| Net loss for 1Q2015  | -   | (281)              | -               | -                         | -                            | (6)                       | (287)        |
| Total comprehensive income for 1Q2015  | -   | (281)              | -               | -                         | 3,241                        | -                         | 2,960        |
| Dividend paid to non-controlling shareholders  | -   | -                  | -               | -                         | -                            | (997)                     | (997)        |
| <b>Balance at 31 March 2015</b>  | 76,897                                      | (23,287)           | 481             | 39,614                    | 5,207                        | 258                       | 99,170       |
| Net foreign exchange difference arising on consolidation                                     | -   | -                  | -               | -                         | (1,195)                      | (4)                       | (1,199)      |
| Exchange differences on monetary items forming part of net investment in a foreign operation | -   | -                  | -               | -                         | (1,217)                      | -                         | (1,217)      |
| Net profit for 2Q2015  | -   | 185                | -               | -                         | -                            | (1)                       | 184          |
| Total comprehensive loss for 2Q2015  | -   | 185                | -               | -                         | (2,412)                      | (5)                       | (2,232)      |
| <b>Balance at 30 June 2015</b>   | 76,897                                      | (23,102)           | 481             | 39,614                    | 2,795                        | 253                       | 96,938       |
| Net foreign exchange difference arising on consolidation                                     | -   | -                  | -               | -                         | 3,151                        | 5                         | 3,156        |
| Exchange differences on monetary items forming part of net investment in a foreign operation | -   | -                  | -               | -                         | -                            | -                         | -            |
| Net profit for 3Q2015  | -   | 1,936              | -               | -                         | -                            | (3)                       | 1,933        |
| Total comprehensive income for 3Q2015  | -   | 1,936              | -               | -                         | -                            | 2                         | 5,089        |
| <b>Balance at 30 September 2015</b>  | 76,897                                      | (21,166)           | 481             | 39,614                    | 5,946                        | 255                       | 102,027      |
| <b>Group</b>   |   |                    |                 |                           |                              |                           |              |
| <b>Balance at 1 January 2016</b>   | 76,897                                      | (17,516)           | 481             | 40,521                    | 5,703                        | 76                        | 106,162      |
| Net foreign exchange difference arising on consolidation                                     | -   | -                  | -               | -                         | (2,796)                      | -                         | (2,796)      |
| Net loss for 1Q2016  | -   | (2,377)            | -               | -                         | -                            | -                         | (2,377)      |
| Total comprehensive loss for 1Q2016  | -   | (2,377)            | -               | -                         | (2,796)                      | -                         | (5,173)      |
| <b>Balance at 31 March 2016</b>  | 76,897                                      | (19,893)           | 481             | 40,521                    | 2,907                        | 77                        | 100,989      |
| Net profit for 2Q2016  | -   | 3,481              | -               | -                         | -                            | 12                        | 3,493        |
| Total comprehensive income for 2Q2016  | -   | 3,481              | -               | -                         | -                            | 12                        | 3,493        |
| Right issue  | 9,605                                       | -                  | -               | -                         | -                            | -                         | 9,605        |
| <b>Balance at 30 June 2016</b>   | 86,502                                      | (16,412)           | 481             | 40,521                    | 2,907                        | 89                        | 114,088      |
| Net foreign exchange difference arising on consolidation                                     | -   | 9                  | -               | -                         | (622)                        | -                         | (612)        |
| Exchange differences on monetary items forming part of net investment in a foreign operation | -   | -                  | -               | -                         | 1,244                        | -                         | 1,244        |
| Net profit for 3Q2016  | -   | 624                | -               | -                         | -                            | (33)                      | 590          |
| Total comprehensive income for 3Q2016  | -   | 633                | -               | -                         | 622                          | (33)                      | 1,222        |
| Share subscription   | 3,600                                       | -                  | -               | -                         | -                            | -                         | 3,600        |
| <b>Balance at 30 September 2016</b>  | 90,102                                      | (15,779)           | 481             | 40,521                    | 3,529                        | 56                        | 118,910      |

Statements of Changes in Equity (cont'd)

|                                       | Share Capital | Accumulated losses | Capital reserve | Equity total |
|---------------------------------------|---------------|--------------------|-----------------|--------------|
|                                       | S\$'000       | S\$'000            | S\$'000         | S\$'000      |
| <b>Company</b>                        |               |                    |                 |              |
| <b>Balance at 1 January 2015</b>      | 76,897        | -                  | (459)           | 76,438       |
| Net loss for 1Q2015                   | -             | (411)              | -               | (411)        |
| Total comprehensive loss for 1Q2015   | -             | (411)              | -               | (411)        |
| <b>Balance at 31 March 2015</b>       | 76,897        | (411)              | (459)           | 76,027       |
| Net loss for 2Q2015                   | -             | (39)               | -               | (39)         |
| Total comprehensive loss for 2Q2015   | -             | (39)               | -               | (39)         |
| <b>Balance at 30 June 2015</b>        | 76,897        | (450)              | (459)           | 75,988       |
| Net profit for 3Q2015                 | -             | 127                | -               | 127          |
| Total comprehensive income for 3Q2015 | -             | 127                | -               | 127          |
| <b>Balance at 30 September 2015</b>   | 76,897        | (323)              | (459)           | 76,115       |
| <b>Balance at 1 January 2016</b>      | 76,897        | (826)              | (459)           | 75,612       |
| Net loss for 1Q2016                   | -             | (101)              | -               | (101)        |
| Total comprehensive loss for 1Q2016   | -             | (101)              | -               | (101)        |
| <b>Balance at 31 March 2016</b>       | 76,897        | (927)              | (459)           | 75,511       |
| Net loss for 2Q2016                   | -             | (488)              | -               | (488)        |
| Total comprehensive loss for 2Q2016   | -             | (488)              | -               | (488)        |
| Right issue                           | 9,605         | -                  | -               | 9,605        |
| <b>Balance at 30 June 2016</b>        | 86,502        | (1,415)            | (459)           | 84,628       |
| Net loss for 3Q2016                   | -             | (954)              | -               | (954)        |
| Total comprehensive loss for 3Q2016   | -             | (954)              | -               | (954)        |
| Share subscription                    | 3,600         | -                  | -               | 3,600        |
| <b>Balance at 30 September 2016</b>   | 90,102        | (2,369)            | (459)           | 87,274       |

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 was a private placement of 600,000,000 shares of \$0.006 each during the period under review. Resulting in the increase of the share capital by \$ 3.6 million from \$86.5 million to \$90.1 million.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 30 September 2016 and 31 December 2015 were 6,158,068,582 and 3,957,211,329 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.

The Company has 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 or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of 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 same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December 2015 have been applied in the preparation for the unaudited financial statements for the financial period ended 30 September 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has been changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

|   | <----- Group -----> |          | <----- Group -----> |          |
|---|---------------------|----------|---------------------|----------|
|   | Quarter ended       |          | Nine months ended   |          |
|   | 30 Sep              |          | 30 Sep              |          |
|   | 2016                | 2015     | 2016                | 2015     |
|   | in cents            | in cents | in cents            | in cents |
| Profit per ordinary share attributable to owners of the parent for the period:- |                     |          |                     |          |
| Basic   | 0.013               | 0.049    | 0.035               | 0.046    |
| Diluted   | 0.013               | 0.049    | 0.035               | 0.046    |

The basic and diluted earnings per share are calculated based on the weighted average number of shares in issue during the period of 4,927,800,551 (31.12.2015: 3,957,211,329).

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

|  | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 30.09.2016 | 31.12.2015 | 30.09.2016 | 31.12.2015 |
|  | in cents   | in cents   | in cents   | in cents   |
| Net asset value per ordinary share based on issued share capital | 1.93       | 2.68       | 1.42       | 1.91       |

The computation of net asset value per share is based on the number of issued ordinary shares as at the respective balance sheet dates amounting to 6,158,068,582 (2015: 3,957,211,329) 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.

#### Revenue

The Group's revenue increased by an amount of \$1.4 million from \$4.3 million in year to date 30 September 2015 ("9M 2015") to \$5.7 million in year to date 30 September 2016 ("9M 2016") due to the increase in co-operation and management agreements income.

#### Gross profit

The Group's gross profit increased by \$1.9 million from \$3.0 million in 9M 2015 to \$4.9 million in 9M 2016 due to higher revenue achieved.

#### **Other income**

The Group's other income increased by \$1.3 million from \$3.1 million in 9M 2015 to \$4.4 million in 9M 2016 due mainly to the revaluation gain on the D'Kranji resort.

#### **Distribution and selling expenses**

Marketing expenses of \$1.1 million were incurred in 9M 2016 which relates to the new sales and marketing activities by the property development in Cambodia. There were no marketing expenses incurred in 9M 2015.

#### **Administrative expenses**

Administrative expenses of the Group increased by \$0.7 million in 9M 2016 as compared to 9M 2015 due mainly to professional and related fees incurred in relation to the right issue.

#### **Other expenses**

The increase in other expenses of \$1.3 million from 9M 2015 to 9M 2016 was due mainly to the weakening of US currency resulting in unrealised forex losses. In addition, the positive credit of \$0.4 million in other expenses for the 3 months to 30 September 2016 is primarily due to the reversal of the value added tax provision. The co-operation agreement has been presented to the tax authorities with no indication of the need for the provision.

#### **Finance costs**

Finance costs increased by \$0.4 million from 9M 2015 to 9M 2016 due mainly to the increase in interest expenses as a result of working capital loans taken up to finance the property development project as well as the starch factory in Cambodia.

#### **Review of Financial Results**

The Group recorded a net profit \$1.7 million in 9M 2016 which is relatively unchanged from the profit of \$1.8 million in 9M 2015.

The higher gross profit achieved through the co-operation and management agreements were offsetted by the distribution and marketing expenses of the D'Seaview mixed developments and increased finance costs.

#### **Review of Financial Position**

The Group's property, plant and equipment ("PPE") was \$16.0 million as at 31 December 2015. In the 9 months of 2016, the Group acquired an additional \$0.5 million of new PPE and disposed off \$0.5 million of PPE. Together with the depreciation charges of \$1.3 million and forex impact of \$0.06 million. The ending Group's PPE became \$14.6 million.

The Group's investment properties increased from \$102.4 million as at 31 December 2015 to \$103.1 million in the 9M 2016 due to revaluation gain of \$4.0 million partially offset by the weakening of USD.

The Group's development properties increased by \$3.4 million from 31 December 2015 to \$17.8 million as at 9M 2016 due to work done for the D'Seaview project.



Trade creditors reduced by about \$2.6 million as at 30 Sep 2016 from 31 December 2015 due mainly to the repayment of land costs.

Other payables and accruals increase by \$3.0 million for 9M2016 due to increased in customer payments classified as unearned revenue for property development project in Cambodia.

Loans and borrowings for the Group decreased by \$1.9 million from 31 December 2015 to 9M 2016 due to the repayment of director loan partially offset by the increased in bank facilities.

The company paid-up share capital increased by \$13.2 million due to the issuance of 1,600,857,253 right shares and the issuance of 600,000,000 placement shares giving proceeds of \$9.6 million and \$3.6 million respectively.

The net assets of the Group increased by \$12.8 million was mainly attributable to the rights and placement shares issuances and the net profit of \$1.7 million attained for 9M 2016.

#### **Review of Cash Flow Statement**

Net cash flows used in operating activities for 9 months 2016 was \$4.7 million due to the increase in trade receivables as a result of the co-operation account and the increase in development property activities.

Net cash flows from financing activities 9M 2016 was \$6.6 million due to the issuance of right shares of \$9.6 million and the issuance of placement shares of \$3.6 million offset by the principal repayment of loan from a director of \$4.8 million.

The balance proceeds from the right shares issuance has also been utilised for selling, distribution and administrative expenses as part of the general working capital expenditures for the property development business in Cambodia.

Overall, cash and cash equivalents of the Group stood at \$4.8 million as at 30 September 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

**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.**

#### **AGRICULTURE DIVISION**

The Group's Agriculture Division mainly focuses on the cultivation of cassava (tapioca) with joint cooperation partners as well as the production of cassava starch through its factory that has the capacity of producing 120 tons of starch on a daily basis. For the purpose of fully utilizing the 11,000 hectares farmland, the Division plans to source for cooperation partners that has the expertise in livestock farming to set up their operations in the farm.

To further enhance the fresh cassava yield, 2,400 hectares from the original 7,500 hectares of farmable area under the joint cooperation agreement has been relocated to be directly cultivated by the Agriculture Division from 1 October 2016.

#### **PROPERTY DEVELOPMENT DIVISION**

HLH's first overseas mixed development project, D'Seaview construction is on schedule and a new main contractor, Shanghai Boaye (Cambodia) Co., Ltd has also been appointed to replace Sinohydro Corporation Limited on 28 October 2016. This has resulted in the percentage of sales achieved for the residential units to be adjusted to approximately 37%.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial year reported on?

No.

**(b) Corresponding period of the Immediately Preceding Financial Year?**

Any dividend declared for the corresponding period of the Immediately Preceding Financial Year?

No.

**(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 or 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.**

The Company did not seek and does not have a shareholders' general mandate pursuant to Rule 920 of the Listing Manual.

**14. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited.**

The Board of Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may render the financial results of the Group for the period ended 30 September 2016 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

HELEN CAMPOS  
COMPANY SECRETARY  
7 November 2016