

Part 1 - Information required for announcements of quarterly (Q1, Q2, Q3 & Q4), 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 June			Half year ended 30 June		
	2017 S\$'000	2016 S\$'000	Change %	2017 S\$'000	2016 S\$'000	Change %
Revenue	1,757	1,887	(7)	7,242	3,819	90
Cost of sales	(841)	(156)	>100	(3,451)	(398)	>100
Gross profit	916	1,731	(47)	3,791	3,421	11
Other income	2,305	4,142	(44)	5,270	4,225	25
Distribution and selling expenses	(299)	(427)	(30)	(539)	(789)	(32)
Administrative expenses	(1,515)	(1,683)	(10)	(2,997)	(3,307)	(9)
Other expenses	(14)	(202)	(93)	(14)	(2,143)	(99)
Finance costs	(28)	(141)	(80)	(55)	(397)	(86)
Profit before taxation	1,366	3,420	(60)	5,457	1,010	>100
Income tax	(20)	61	NM	41	95	NM
Net profit for the period (note (i))	1,345	3,481	(61)	5,497	1,105	>100
Other comprehensive income						
Foreign currency translation	(691)	-	NM	(4,094)	(2,796)	46
Other comprehensive income for the period, net of tax	(691)	-	NM	(4,094)	(2,796)	46
Total comprehensive income for the period	654	3,481	(81)	1,403	(1,691)	NM
Net profit attributable to:						
Owners of the parent	1,327	3,468	(62)	5,479	1,093	>100
Non-controlling interests	18	13	38	18	13	38
	1,345	3,481	(61)	5,497	1,105	>100
Total comprehensive income						
Owners of the parent	636	3,481	(82)	1,386	(1,686)	NM
Non-controlling interests	18	-	NM	17	(5)	NM
	654	3,481	(81)	1,403	(1,691)	NM

NM - Not meaningful

Note (i) – Net profit for the period

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

	Group		Group	
	Quarter ended 30 June		Half year ended 30 June	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Gain on recognition of deferred tax asset	(48)	4,000	2,827	4,000
Gain/(loss) on disposal of property, plant and equipment	(3)	63	(3)	53
Interest income	31	8	31	11
Net foreign exchange loss	(3)	(195)	(3)	(2,110)
Depreciation of property, plant and equipment	(1,246)	(446)	(1,246)	(894)

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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current assets				
Property, plant and equipment	98,440	35,619	195	216
Investment properties	20,187	89,448	617	618
Intangibles assets	15	-	-	-
Investments in subsidiaries	-	-	77,160	1,000
Deferred tax assets	2,827	-	-	-
	<u>121,469</u>	<u>125,067</u>	<u>77,972</u>	<u>1,834</u>
Current assets				
Development property	18,559	19,902	-	-
Inventories	2,483	687	-	-
Biological assets	6,219	-	-	-
Trade receivables	215	7,837	-	-
Other receivables, deposits and prepayments	2,517	1,173	7	4
Amounts due from subsidiaries	-	-	25,378	99,626
Amounts due from non-controlling shareholders	-	16	-	-
Investment securities	2	2	-	-
Cash and cash equivalents	1,316	6,746	-	272
	<u>31,311</u>	<u>36,363</u>	<u>25,385</u>	<u>99,901</u>
Total assets	<u>152,780</u>	<u>161,430</u>	<u>103,357</u>	<u>101,735</u>
Equity and liabilities				
Current liabilities				
Trade payables	1,385	1,459	-	-
Other payables and accruals	1,825	1,183	494	494
Amounts due to subsidiaries	-	-	8,922	8,594
Provision for taxation	-	36	-	-
Loans and borrowings	2,037	1,783	33	51
	<u>5,247</u>	<u>4,461</u>	<u>9,449</u>	<u>9,139</u>
Net current assets	26,064	31,902	15,936	90,762
Non-current liabilities				
Deferred tax liabilities	12,088	14,891	-	-
Loans and borrowings	4,278	4,530	45	45
Other payables and accruals	-	7,803	-	-
	<u>16,366</u>	<u>27,224</u>	<u>45</u>	<u>45</u>
Total liabilities	21,613	31,685	9,494	9,184
Net assets	<u>131,167</u>	<u>129,745</u>	<u>93,863</u>	<u>92,551</u>
Equity attributable to owners of the parent				
Share capital	94,602	94,602	94,602	94,602
Other reserves	44,959	48,034	(459)	(459)
Accumulated losses	(8,388)	(12,868)	(280)	(1,592)
	<u>131,173</u>	<u>129,768</u>	<u>93,863</u>	<u>92,551</u>
Non-controlling interests	(6)	(23)	-	-
Total equity	<u>131,167</u>	<u>129,745</u>	<u>93,863</u>	<u>92,551</u>
Total equity and liabilities	<u>152,780</u>	<u>161,430</u>	<u>103,357</u>	<u>101,735</u>

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

Amount repayable in one year or less, or on demand
Amount repayable after one year

As at 30.06.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,037	-	1,783	-
4,278	-	4,530	-

Details of any collaterals

As at 30 June 2017, 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		Half year ended	
	30 June		30 June	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before taxation	1,367	3,421	5,457	1,008
<u>Adjustments for:</u>				
Interest expense	19	27	38	55
Depreciation of property, plant and equipment	753	446	1,246	894
Amortization of intangible assets	2	0	2	0
Gain on change in fair value of investment properties	-	(4,000)	0	(4,000)
Gain/(loss) on disposal of property, plant and equipment	1	(63)	(3)	(53)
Foreign exchange adjustments	(1,338)	(97)	(1,627)	1,329
Transfer to fixed assets	1,245	-	-	-
Gain on recognition of deferred tax asset	48	-	(2,827)	-
Interest income	(6)	(8)	(31)	(11)
Operating cashflow before working capital changes	2,092	(275)	2,256	(779)
<u>Changes in working capital</u>				
Trade and other receivables	(1,073)	(1,085)	6,130	(2,164)
Development properties	(826)	(1,457)	1,343	(1,257)
Inventories and biological assets	(1,757)	(72)	(8,037)	82
Amounts due from non-controlling shareholders	16	0	16	0
Trade and other payables	(1,003)	401	(6,922)	887
Cash flows (used in)/from operations	(2,552)	(2,488)	(5,214)	(3,231)
Interest paid	(19)	(27)	(38)	(55)
Income tax received	(0)	(58)	(0)	(10)
Interest received	6	8	31	11
Net cash flows (used in)/from operating activities	(2,565)	(2,565)	(5,221)	(3,285)
Cash flows from investing activities				
Purchase of property, plant and equipment	(247)	(286)	(250)	(524)
Proceeds from sale of property, plant and equipment	53	104	60	225
Purchase of intangible assets	(17)	0	(17)	0
Net cash flows (used in)/from investing activities	(211)	(182)	(207)	(299)
Cash flows from financing activities				
Repayment of loans	(514)	(1,378)	(929)	(1,959)
Proceed from overdraft	1,063	372	1,063	372
Loan from / (repayment to) a director	-	(5,664)	-	(4,753)
Proceeds from/(repayment to) hire purchase creditors	(57)	(41)	(57)	(41)
Payment of dividends to minority share of subsidiary	-	-	-	-
Proceeds from issuance of rights shares	-	9,605	-	9,605
Proceeds from issuance of placement shares	-	-	-	-
Net cash flows used in financing activities	491	2,894	76	3,224
Net decrease in cash and cash equivalents	(2,285)	147	(5,352)	(360)
Cash and cash equivalents at beginning of period	3,645	2,775	6,747	3,419
Effect of exchange rate changes	(44)	-	(79)	(137)
Cash and cash equivalents at end of period	1,316	2,922	1,316	2,922
<u>Cash and cash equivalent at end of period</u>				
			30.06.2017	30.06.2016
			S\$'000	S\$'000
Cash at bank and in hand			565	2,182
Fixed deposits with financial institutions			751	740
			1,316	2,922

- 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

	Attributable to owners of the parent						Total Equity S\$'000
	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	
Group							
Balance at 1 January 2016	76,897	(17,516)	481	40,521	5,703	76	106,162
Net foreign exchange difference arising on consolidation	-	-	-	-	(2,796)	0	(2,796)
Net loss for 1Q 2016	-	(2,377)	-	-	-	-	(2,377)
Total comprehensive loss for 1Q 2016	-	(2,377)	-	-	(2,796)	0	(5,173)
Balance at 31 March 2016	76,897	(19,893)	481	40,521	2,907	77	100,989
Net profit for 2Q 2016	-	3,481	-	-	-	12	3,493
Total comprehensive loss for 2Q 2016	-	3,481	-	-	-	12	3,493
Rights issue	9,605	-	-	-	-	-	9,605
Total contributions by and distribution to owners	9,605	0	-	-	-	-	9,605
Balance at 30 June 2016	86,502	(16,412)	481	40,521	2,907	89	114,088
Group							
Balance at 1 January 2017	94,602	(12,856)	414	40,521	7,087	(23)	129,745
Net foreign exchange difference arising on consolidation	-	(1,231)	-	-	(2,171)	(1)	(3,403)
Net profit for 1Q 2017	-	4,152	-	-	-	-	4,152
Total comprehensive income for 1Q 2017	-	2,921	-	-	(2,171)	(1)	749
Balance at 31 March 2017	94,602	(9,935)	414	40,521	4,916	(24)	130,495
Net foreign exchange difference arising on consolidation	-	202	-	-	(893)	-	(691)
Net profit (loss) for 2Q 2017	-	1,345	-	-	-	18	1,363
Total comprehensive income for 2Q 2017	-	1,547	-	-	(893)	18	672
Balance at 30 June 2017	94,602	(8,388)	414	40,521	4,023	(6)	131,167

	Share Capital	Accumulated losses	Capital reserve	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
	Company			
Balance at 1 January 2016	76,897	(826)	(459)	75,612
Net loss for 1Q2016	-	(101)	-	(101)
Total comprehensive loss for 1Q2016	-	(101)	-	(101)
Balance at 31 March 2016	76,897	(927)	(459)	75,511
Net loss for 2Q2016	-	(488)	-	(488)
Total comprehensive loss for 2Q2016	-	(488)	-	(488)
Rights issue	9,605	-	-	9,605
Total contributions by and distribution to owners	9,605	-	-	9,605
Balance at 30 June 2016	86,502	(1,415)	(459)	84,628
Balance at 1 January 2017	94,602	(1,592)	(459)	92,551
Net loss for 1Q2017	-	(413)	-	(413)
Total comprehensive loss for 1Q2017	-	(413)	-	(413)
Balance at 31 March 2017	94,602	(2,005)	(459)	92,138
Net loss for 2Q2017	-	1,312	-	1,312
Total comprehensive loss for 2Q2017	-	1,312	-	1,312
Balance at 30 June 2017	94,602	(280)	(459)	93,863

- 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 shares issued for the period under review.

- 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 June 2017 and 31 December 2016 were 6,658,068,582 ordinary shares.

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 have been applied in the preparation for this interim financial statements except for the percentage of completion recognition of the property development.

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.

The effect of the change resulted in the revenue recognition of the property development.

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		Half year ended	
	30 June		30 June	
	2017	2016	2017	2016
	in cents	in cents	in cents	in cents
Profit per ordinary share attributable to owners of the parent for				
Basic	0.020	0.062	0.082	0.020
Diluted	0.020	0.062	0.082	0.020

The basic and diluted earnings per share are calculated based on the weighted average number of shares in issue of 6,658,068,582 (comparative: 5,558,068,582).

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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	in cents	in cents	in cents	in cents
Net asset value per ordinary share based on issued share capital	1.970	1.949	1.410	1.390

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 6,658,068,582 (comparative: 6,658,068,582) 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 and gross profit

The Group's revenue increased from \$3.8 million in the half year 2016 ("6M 2016") to \$7.2 million for the half year 2017 ("6M 2017") primarily due to the revenue recognition of the D'Seaview mixed development.

The Group's gross profit increased from \$3.4 million in 6M 2016 to \$3.8 million in 6M 2017 due to revenue recognition of the D'seaview mixed development offset by termination of joint cooperation with Zhong Fu and we took over from 24 April 2017.

Other income

The Group's other income increased from \$4.2 million in 6M 2016 to \$5.3 million in 6M 2017 mainly due to the gain on recognition of deferred tax asset and reversal of deferred tax liability.

Distribution and selling expenses

Marketing expenses relates to the sales and marketing activities for the property development decreased from \$0.8 million in 6M 2016 to \$0.5 million in 6M 2017.

Administrative expenses

Administrative expenses of the Group decreased by \$0.3 million to \$3 million in 6M 2017 as compared to \$3.3 million for 6M 2016.

Finance costs

Finance costs has reduced to \$0.055 million in 6M 2017 as compared to \$0.4 million in 6M 2016 due to repayment of loans.

Review of Financial Results

The Group recorded net profit of \$5.5 million in 6M 2017 compared to a net profit of \$1.1 million in 6M 2016, primarily due to the revenue recognition in the D'Seaview mixed development, gain on deferred tax asset recognition and reversal of deferred tax liability.

Review of Financial Position

The Group's non-current asset was \$121 million. During 2Q 2017, Agriculture land in Cambodia was reclassified from investment properties to Property, plant and equipment for direct cultivation as we ended the joint cooperation with Zhong Fu.

The Group's development properties for the D'Seaview mixed development was \$18.6 million in 6M 2017.

Inventories as at end 6M 2017 increased to \$2.5 million from \$0.6 million due to the starch production.

Biological assets of \$6.2 million consists of cassava crops purchased for the direct cultivation in 6M 2017.

Trade debtors decreased from \$7.8 million at the end of 2016 to \$0.2 million as at 6M 2017 due primarily to the settlement of the account receivable through the takeover of the existing mature fresh cassava plantation.

Trade creditors decreased to \$1.39 million for 6M 2017 due to the payment of suppliers.

Other payables and accruals decreased from \$9million at the end of 2016 to \$1.8 million for 6M 2017 due to the revenue recognition for the D'Seaview mixed development.

Loans and borrowings for the Group remained \$6.3 million due to increase in short term overdraft.

The company paid-up share capital was unchanged at \$94.6 million.

The loans granted by the company to its subsidiaries worth \$74 million has also been capitalised in order to streamline the capital and debt structure within the Group.

The net assets of the Group increased to \$131 million due to the net profit of \$5.5 million offset by net foreign exchange difference arising on consolidation of \$4 million for 6M 2017.

Review of Cash Flow Statement

Net cash flows used in operating activities was \$5.2 million in 6M 2017 due to the increase in inventory and biological asset.

Net cash flows used in investing activities in 6M 2017 was mainly for purchase of machinery and equipment for Agriculture division.

Net cashflow from financing activities includes repayment of term loans of \$0.9 million and increase of short term overdrafts of \$1 million in 6M 2017.

Overall, cash and cash equivalents of the Group stood at \$1.3 million as at 6M 2017.

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 continues to focus on the cultivation of cassava (tapioca) and the production of cassava starch through its factory, that has the capacity of producing 120 tons of starch on a daily basis.

Since we took over the 5,100 hectare under the joint cooperation agreement from 24 April 2017, we have the full 10,000 hectare to operate the production capacity.

We will continue to seek joint cooperation partners to manage and enhance the value of product.

PROPERTY DEVELOPMENT DIVISION

HLH's first overseas mixed development project, D'Seaview mixed development achieved approximately 20% construction progress as at end June 2017 and the expected completion is on schedule for end 2018.

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. **Negative assurance confirmation on interim financial results under Rule 705(5) of the Listing Manual.**

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 interim financial statements to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

HELEN CAMPOS
COMPANY SECRETARY
31 July 2017