

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 September			Nine months ended 30 September		
	2017	2016	Change	2017	2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	4,618	1,920	141	11,860	5,739	>100
Cost of sales	(2,350)	(423)	>100	(5,802)	(821)	>100
Gross profit	2,268	1,497	51	6,058	4,918	23
Other income	(4,938)	188	(2,730)	332	4,413	(92)
Distribution and selling expenses	(223)	(275)	(19)	(762)	(1,064)	(28)
Administrative expenses	(2,694)	(1,065)	153	(5,691)	(4,372)	30
Other expenses	(86)	368	(123)	(99)	(1,775)	(94)
Finance costs	(185)	(121)	53	(240)	(518)	(54)
Profit before taxation	(5,858)	591	(1,090)	(402)	1,601	NM
Income tax	4,999	-	NM	5,040	95	NM
Net profit for the period {note (i)}	(859)	591	(245)	4,638	1,696	>100
Other comprehensive income						
Foreign currency translation	(3,085)	622	NM	(7,179)	(2,174)	230
Other comprehensive income for the period, net of tax	(3,085)	622	NM	(7,179)	(2,174)	230
Total comprehensive income for the period	(3,944)	1,214	NM	(2,541)	(477)	NM
Net profit attributable to:						
Owners of the parent	(859)	624	(238)	4,620	1,717	>100
Non-controlling interests	-	(32)	(100)	18	(20)	(188)
	(859)	591	(245)	4,638	1,696	>100
Total comprehensive income						
Owners of the parent	(3,944)	1,214	NM	(2,524)	(472)	NM
Non-controlling interests	-	-	NM	(17)	(5)	NM
	(3,944)	1,214	NM	(2,541)	(477)	NM

NM - Not meaningful

Note (i) – Net profit for the period

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

	<----- Group ----->		<----- Group ----->	
	Quarter ended 30 September		Nine months ended 30 September	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Gain on recognition of deferred tax asset	(41)	-	2,786	-
Gain on change in fair value of investment properties	-	-	-	4,000
Gain/(loss) on disposal of property, plant and equipment	(3)	(5)	(6)	48
Interest income	8	9	39	20
Net foreign exchange loss	(26)	373	(29)	(1,737)
Depreciation of property, plant and equipment	(1,037)	(442)	(2,283)	(1,336)

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	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current assets				
Property, plant and equipment	97,521	35,619	185	216
Investment properties	20,059	89,448	617	618
Intangibles assets	13	-	-	-
Investments in subsidiaries	-	-	77,160	1,000
Deferred tax assets	2,786	-	-	-
	120,379	125,067	77,962	1,834
Current assets				
Development property	20,187	19,902	-	-
Inventories	716	687	-	-
Biological assets	6,160	-	-	-
Trade receivables	314	7,837	-	-
Other receivables, deposits and prepayments	2,801	1,173	25	4
Amounts due from subsidiaries	-	-	26,626	99,626
Amounts due from non-controlling shareholders	-	16	-	-
Investment securities	1	2	-	-
Cash and cash equivalents	1,776	6,746	495	272
	31,955	36,363	27,146	99,902
Total assets	152,334	161,430	105,108	101,736
Equity and liabilities				
Current liabilities				
Trade payables	2,804	1,459	-	-
Other payables and accruals	2,808	1,183	500	494
Loans from a director	428	-	428	-
Amounts due to subsidiaries	-	-	10,869	8,594
Provision for taxation	-	36	-	-
Loans and borrowings	3,047	1,783	49	51
	9,087	4,461	11,846	9,139
Net current assets	22,868	31,902	15,300	90,763
Non-current liabilities				
Deferred tax liabilities	11,917	14,891	-	-
Loans and borrowings	3,211	4,530	8	45
Convertible loan notes	896	-	896	-
Other payables and accruals	-	7,803	-	-
	16,024	27,224	904	45
Total liabilities	25,111	31,685	12,750	9,184
Net assets	127,223	129,745	92,358	92,552
Equity attributable to owners of the parent				
Share capital	94,602	94,602	94,602	94,602
Other reserves	40,689	48,034	(459)	(459)
Accumulated losses	(8,062)	(12,868)	(1,785)	(1,591)
	127,229	129,768	92,358	92,552
Non-controlling interests	(6)	(23)	-	-
Total equity	127,223	129,745	92,358	92,552
Total equity and liabilities	152,334	161,430	105,108	101,736

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

	As at 30.09.2017		As at 31.12.2016	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	3,047	-	1,783	-
Amount repayable after one year	3,211	-	4,530	-

Details of any collaterals

As at 30 September 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		Nine months ended	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before taxation	(5,858)	591	(402)	1,601
<u>Adjustments for:</u>				
Interest expense	16	26	54	81
Depreciation of property, plant and equipment	1,037	442	2,283	1,336
Amortization of intangible assets	2	0	4	0
Gain on change in fair value of investment properties	-	-	0	(4,000)
Gain/(loss) on disposal of property, plant and equipment	(3)	5	(6)	(48)
Foreign exchange adjustments	(1,773)	(291)	(3,400)	1,038
Bad debts written off	63	-	63	-
Transfer to fixed assets	-	-	-	-
Gain on recognition of deferred tax asset	41	-	(2,786)	-
Interest income	(8)	(9)	(39)	(20)
Operating cashflow before working capital changes	<u>(6,483)</u>	<u>764</u>	<u>(4,229)</u>	<u>(12)</u>
<u>Changes in working capital</u>				
Trade and other receivables	(524)	(52)	5,606	(2,216)
Development properties	(1,628)	(2,143)	(285)	(3,400)
Inventories and biological assets	1,814	116	(6,223)	198
Amounts due from non-controlling shareholders	428	0	444	0
Trade and other payables	7,458	(120)	536	767
Cash flows (used in)/from operations	<u>1,065</u>	<u>(1,435)</u>	<u>(4,151)</u>	<u>(4,663)</u>
Interest paid	(16)	(26)	(54)	(81)
Income tax received	(0)	-	(0)	(10)
Interest received	8	9	39	20
Net cash flows (used in)/from operating activities	<u>1,057</u>	<u>(1,452)</u>	<u>(4,166)</u>	<u>(4,734)</u>
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,699)	(157)	(1,949)	(681)
Proceeds from sale of property, plant and equipment	161	30	221	255
Purchase of intangible assets	0	0	(17)	0
Net cash flows (used in) investing activities	<u>(1,538)</u>	<u>(127)</u>	<u>(1,745)</u>	<u>(426)</u>
Cash flows from financing activities				
Repayment of loans	(428)	(199)	(1,357)	(2,158)
Proceed from overdraft	189	33	1,252	405
Loan from / (repayment to) a director	-	-	-	(4,752)
Proceeds from/(repayment to) hire purchase creditors	221	(22)	164	(63)
Proceeds from issuance of convertible loan notes	1,000	-	1,000	-
Proceeds from issuance of rights shares	-	-	-	9,605
Proceeds from issuance of placement shares	-	3,600	-	3,600
Net cash flows from financing activities	<u>982</u>	<u>3,412</u>	<u>1,059</u>	<u>6,637</u>
Net decrease in cash and cash equivalents	501	1,833	(4,852)	1,477
Cash and cash equivalents at beginning of period	1,316	2,922	6,747	3,419
Effect of exchange rate changes	(41)	34	(119)	(107)
Cash and cash equivalents at end of period	<u>1,776</u>	<u>4,789</u>	<u>1,776</u>	<u>4,789</u>
<u>Cash and cash equivalent at end of period</u>				
			30.09.2017	30.09.2016
			S\$'000	S\$'000
Cash at bank and in hand			1,014	4,043
Fixed deposits with financial institutions			762	746
			<u>1,776</u>	<u>4,789</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.

Statements of Changes in Equity

Group	Attributable to owners of the parent						Total Equity S\$'000
	Share Capital S\$'000	Accumula- ted losses S\$'000	Capital reserve S\$'000	Asset revaluation reserve S\$'000	Currency translation reserve S\$'000	Non- controlling interests S\$'000	
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
Balance at 30 June 2016	86,502	(16,412)	481	40,521	2,907	89	114,088
Net foreign exchange difference arising on consolidation	-	9	-	-	(622)	-	(612)
Exchange difference on monetary items forming part of net investment in a foreign operation	-	-	-	-	1,244	-	1,244
Net loss for 3Q 2016	-	624	-	-	-	(33)	590
Total comprehensive loss for 3Q 2016	-	633	-	-	622	(33)	1,222
Share subscription	3,600	-	-	-	-	-	3,600
Balance at 30 September 2016	90,102	(15,779)	481	40,521	3,529	56	118,910
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
Net foreign exchange difference arising on consolidation	-	1,185	-	-	(4,270)	-	(3,085)
Net profit (loss) for 3Q 2017	-	(859)	-	-	-	-	(859)
Total comprehensive loss for 3Q 2017	-	326	-	-	(4,270)	-	(3,944)
Balance at 30 September 2017	94,602	(8,062)	414	40,521	(247)	(6)	127,223

Company	Share Capital S\$'000	Accumula- ted losses S\$'000	Capital reserve S\$'000	Total Equity S\$'000
Balance at 1 January 2016	76,897	(826)	(459)	75,612
Net loss for 1Q2016, representing total comprehensive loss for 1Q 2016	-	(101)	-	(101)
Balance at 31 March 2016	76,897	(927)	(459)	75,511
Net loss for 2Q2016, representing total comprehensive loss for 2Q 2016	-	(488)	-	(488)
Rights issue	9,605	-	-	9,605
Balance at 30 June 2016	86,502	(1,415)	(459)	84,628
Net loss for 3Q2016, representing total comprehensive loss for 3Q 2016	-	(954)	-	(954)
Share subscription	3,600	-	-	3,600
Balance at 30 September 2016	90,102	(2,369)	(459)	87,274
Balance at 1 January 2017	94,602	(1,592)	(459)	92,551
Net loss for 1Q2017, representing total comprehensive loss for 1Q 2017	-	(413)	-	(413)
Balance at 31 March 2017	94,602	(2,005)	(459)	92,138
Net profit for 2Q2017, representing total comprehensive income for 2Q 2017	-	1,725	-	1,725
Balance at 30 June 2017	94,602	(280)	(459)	93,863
Net profit for 3Q2017, representing total comprehensive profit for 3Q 2017	-	(1,505)	-	(1,505)
Balance at 30 September 2017	94,602	(1,785)	(459)	92,358

- 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 September 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		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	in cents	in cents	in cents	in cents
Profit per ordinary share attributable to owners of the parent for				
Basic	(0.013)	0.013	0.069	0.035
Diluted	(0.013)	0.013	0.069	0.035

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: 4,927,800,551).

- 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	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
	in cents	in cents	in cents	in cents
Net asset value per ordinary share based on issued share capital	1.911	1.949	1.387	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

For the third quarter ended 30 September 2017, the Group's revenue increased by 141% from \$1.9 million in 3Q 2016 to \$4.6 million for 3Q 2017. For the nine months ended 30 September 2017, the Group's revenue increased by 100% from \$5.7 million for 9M 2016 to \$11.8 million for 9M 2017. The increase was primarily due to the progressive revenue recognition of the D'Seaview mixed development.

The Group's gross profit increased from \$1.5 million in 3Q 2016 to \$2.3 million in 3Q 2017 and from \$4.9 million in 9M 2016 to \$6.0 million in 9M 2017. The increase was mainly derived from revenue recognition of the D'seaview mixed development.

Property Development

Revenue from the Property Development division was \$2.9 million or 62% and \$8.8 million or 74% of total Group's revenue for 3Q2017 and 9M 2017. Gross profit margin from the Property Development division was 53% for 9M 2017 and 3Q 2017.

Agriculture

From the Agriculture division, revenue decreased slightly from \$1.9 million in 3Q 2016 to \$1.8 million in 3Q 2017. Since we ended the joint cooperation and commenced direct cultivation, revenue decreased from \$5.7 million to \$3.1 million in 9M 2017. Gross profit margin from Agriculture division was 42% for 3Q 2017 and 45% for 9M 2017.

Other income

The Group's other income decreased by \$4.9 million in 3Q 2017 due to reclassification of gain on recognition of deferred tax asset of \$2.9 million in 1Q2017 and reversal of deferred tax liability of \$2 million in 2Q2017 to income tax expense. For the previous year, other income was mainly due to the fair value gain on D'Kranji farm resort of \$4 million.

Distribution and selling expenses

Marketing expenses relates to the sales and marketing activities for the property development decreased from \$1.1 million in 9M 2016 to \$0.8 million in 9M 2017.

Administrative expenses

Administrative expenses increased from \$1.1 million in 3Q 2016 to \$2.7 million in 3Q 2017 mainly due to depreciation of \$0.6 million and reversal of general provision of \$0.7 million in 3Q 2016 for year 2014 and year 2015.

For 9M 2017, administrative expenses increased from \$4.4 million in 9M 2016 to \$5.7 million mainly due to depreciation of \$0.9 million arising from reclassification of investment property to property, plant & equipment since we took over from the joint cooperation.

Other expenses

Other expenses for 9M 2016 of \$1.77 million was due mainly to the weakening of US currency resulting in unrealised forex losses.

Finance costs

Finance costs has increased from \$0.12 million in 3Q 2016 to \$0.19 million in 3Q 2017 mainly due to interest on short term overdraft.

Income tax

Income tax expense consists of deferred tax asset and reversal of deferred tax liability of \$4.9 million in 3Q 2017.

Review of Financial Results

The Group recorded net loss of \$0.9 million in 3Q 2017 compared to net profit of \$0.6 million in 3Q 2016 due to increase in gross profit from property development division offset by increase in Administrative expenses. For 9M 2017, the Group's achieved net profit of \$4.6 million as compared to \$1.7 million in 9M 2016, mainly due to the revenue recognition in the D'Seaview mixed development.

Review of Financial Position

The Group's non-current asset was \$120 million. During 2Q 2017, Agriculture land in Cambodia was reclassified from investment properties to Property, plant and equipment for direct cultivation.

The Group's development properties for the D'Seaview mixed development was \$20.2 million in 9M 2017.

Biological assets of \$6.2 million consists of cassava crops purchased for the direct cultivation in 9M 2017.

Trade receivables decreased from \$7.8 million at the end of 2016 to \$0.3 million as at 9M 2017 due primarily to the settlement of the account receivable through the takeover of the existing mature fresh cassava plantation.

Trade payables increased to \$2.8 million for 9M 2017 consists of progress claims from contractors, accruals for unbilled contractor progress claims and related retention sums held.

Other payables and accruals from current and non-current liabilities decreased from \$9 million at the end of 2016 to \$2.8 million for 9M 2017 due to the revenue recognition for the D'Seaview mixed development.

Loans and borrowings for the Group remained \$6.3 million due to repayment of loan of \$1.3 million and additional short term overdraft of \$1.2 million.

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

The loans granted by the company to its subsidiaries worth \$76 million has also been capitalised in order to streamline the capital and debt structure within the Group in 2Q 2017.

The net assets of the Group was \$127 million due to the net profit of \$4.6 million offset by decrease in currency translation reserve arising on consolidation of \$7.2 million for 9M 2017.

Review of Cash Flow Statement

Net cash flows used in operating activities was \$4.2 million in 9M 2017 due to the increase in biological asset.

Net cash flows used in investing activities in 9M 2017 was mainly for purchase of machinery and equipment for Agriculture division.

Net cashflow from financing activities includes repayment of term loans of \$1.3 million, increase of short term overdrafts of \$1.2 million and proceeds from issuance of convertible loan notes of \$1 million in 9M 2017.

Overall, cash and cash equivalents of the Group stood at \$1.8 million as at 9M 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 operates on the fully matured farmland in the cultivation of cassava (tapioca) and the production of cassava starch through its factory.

We will continue to seek joint cooperation partners and investors to invest, manage and expand the agriculture business.

PROPERTY DEVELOPMENT DIVISION

HLH's first overseas mixed development project, D'Seaview mixed development achieved approximately 27% construction progress as at 9M 2017. The building is scheduled to be capped in June 2018 and we plan to sell to walk-in customers for 4Q 2017 and launch major sales events targeting international buyers in second half of year 2018 where buyers will have confidence when they see the nearly completed building.

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
6 November 2017