

Third Quarter Financial Statement Announcement for the Period Ended 30 June 2014

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP \$'000	
	3 Months ended 30 June 2014	3 Months ended 30 June 2013
Revenue	2,165	1,647
Other income including interest income	137	98
Changes in inventories of finished goods and work-in-progress	-	-
Raw materials and consumables used	-	(588)
Employee benefits expense	(118)	(398)
Depreciation and amortisation charge	(149)	(245)
Rental expense	(44)	(45)
Outsourced manufacturing services costs	(1,572)	-
Other expenses	(123)	(527)
Finance costs	(8)	(11)
Share of results of associates	360	-
Profit/(Loss) before income tax	648	(69)
Income tax expense	-	-
Profit/(Loss) for the period after tax	648	(69)
Other comprehensive income:		
Exchange differences on translating foreign operation and other currency translation differences, net of tax.	(54)	(10)
Other comprehensive (loss) income, net of tax	(54)	(10)
Total comprehensive profit/(loss) for the period	594	(79)
Profit/(Loss) attributable to:		
Equity holders of the Company	648	(69)
Non-controlling interests	-	-
	648	(69)
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	594	(79)
Non-controlling interests	-	-
	594	(79)

NM = not meaningful

Notes to the above income statement:

	GROUP \$'000	
	3 Months ended 30 June 2014	3 Months ended 30 June 2013
Foreign exchange gain/(loss)	(32)	(5)
Interest on borrowings	(8)	(11)

Other Operating Income is as follows:

	GROUP \$'000	
	3 Months ended 30 June 2014	3 Months ended 30 June 2013
Rental income	70	70
Gain on deconsolidation of subsidiary	62	-
Interest income	2	3
Others	3	25

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

STATEMENT OF FINANCIAL POSITION

	GROUP \$'000		COMPANY \$'000	
	30-Jun-14	30-Sep-13	30-Jun-14	30-Sep-13
ASSETS				
Current assets:				
Cash and bank balances	9,753	757	8,995	35
Fixed deposits with financial institutions	862	1,190	-	-
Trade receivables	971	853	-	-
Other receivables	318	243	330	317
Development properties	-	35	-	-
Inventories	408	434	-	-
Prepaid land lease	150	152	-	-
Amount due from associates	181	372	835	-
Total current assets	12,643	4,036	10,160	352
Non current assets:				
Prepaid land lease	4,703	4,815	-	-
Investments in subsidiaries	-	-	7,386	7,386
Investments in associate	5,660	-	5,000	-
Amount due from associates	7,751	2544	5,000	-
Other receivables	34	11	10,600	10,279
Property, plant and equipment	5,729	5,750	-	-
Investment properties	3,470	3,470	-	-
Deferred tax asset	6	3	-	-
Total non current assets	27,353	16,593	27,986	17,665
Total assets	39,996	20,629	38,146	18,017
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	1,242	1,049	-	-
Other payables	1,827	2,013	519	640
Bank borrowings - secured	585	593	-	-
Obligation under finance lease	-	14	-	-
Amount due to associate	-	-	-	-
Current tax liabilities	-	5	-	-
Total current liabilities	3,654	3,674	519	640
Non current liabilities:				
Obligation under finance lease	-	-	-	-
Bank borrowings - secured	763	1024	-	-
Other payables	1033	1946	1,033	1,033
Deferred tax liabilities	47	48	-	-
Total non current liabilities	1,843	3,018	1,033	1,033
Equity				
Share capital	41,183	20,753	41,183	20,753
Translation reserve	(2,895)	(2,769)	-	-
Asset revaluation reserve	936	936	-	-
Accumulated losses	(5,025)	(5,218)	(4,589)	(4,409)
Shareholders interests	34,199	13,702	36,594	16,344
Non-controlling interests	301	235	-	-
Total equity	34,500	13,937	36,594	16,344
Total liabilities and equity	39,996	20,629	38,146	18,017

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

Amount repayable in one year or less, or on demand

As at 30/6/2014		As at 30/09/2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
585	-	607	-

Amount repayable after one year

As at 30/6/2014		As at 30/9/2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
763	-	1,024	-

Details of any collateral

Fixed deposits up to amount drawdown by a subsidiary company
 Chattel mortgage on various machineries of a subsidiary company
 Corporate Suretyship of Amplefield Ltd

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial

CONSOLIDATED STATEMENT OF CASH FLOW

GROUP

	3 Months ended 30June2014 \$'000	3 Months ended 30June2013 \$'000
Cash flows from operating activities:		
Profit/(Loss) before income tax	648	(69)
Adjustments for non cashflow items:		
(Gain) on disposal of subsidiary	(62)	
Share of results of associates	(360)	
Depreciation and amortisation	149	245
Interest expense	8	11
Interest income	(2)	(3)
Operating profit/(loss) before working capital changes	381	184
Changes in operating assets and liabilities:		
Decrease/(increase) in inventories	68	(64)
(Increase) in receivables	(115)	(33)
Amount due from associate	-	(7)
(Decrease)/Increase in payables	(213)	(42)
Cash generated from/(used in) operations	121	38
Interest paid	(8)	(11)
Interest received	2	3
Income tax paid	-	-
Net cash from operating activities	115	30
Cash flows from investing activities:		
Purchase of property, plant and equipment	(211)	(272)
Investment in associates	(5,000)	-
Amount due from associate	(5,840)	
Net cash outflow on disposal of subsidiary	(9)	-
Net cash from/(used in) investing activities	(11,060)	(272)
Cash flows from financing activities:		
Repayment of term loans, hire purchase and lease creditors	(81)	386
Increase in amt due to non-controlling interest	-	-
Proceeds from increase in share capital net of costs	20,430	-
Decrease in fixed deposits pledged	130	22
Net cash from/(used) in financing activities	20,479	408
Translation adjustment- exchange difference	30	23
Net decrease in cash and cash equivalents	9,564	189
Cash and cash equivalent as at beginning of period	549	807
Cash and cash equivalent as at end of period	10,113	996

Cash and cash equivalent comprises:		
Cash and bank balances	10,113	996
Fixed deposits with financial institutions	862	1,331
	10,975	2,327
Less: Pledged fixed deposits	(862)	(1,331)
	10,113	996

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2014

	Issued capital	Foreign exchange translation loss	Asset revaluation reserve	Others	Accumulated losses	Total attributable to shareholders of the Company	Non-controlling interests	Total equity
GROUP								
Balance as at 1 Oct 2012	20,753	(2,238)	936		(6,419)	13,032	294	13,326
Total comprehensive income/(loss)	-	57	-		(111)	(54)	-	(54)
Balance as at 31 Dec 2012	20,753	(2,181)	936		(6,530)	12,978	294	13,272
Total comprehensive income/(loss)	-	5	-		7	12	-	12
Balance as at 31 March 2013	20,753	(2,176)	936	-	(6,523)	12,990	294	13,284
Total comprehensive income/(loss)	-	(10)	-		(69)	(79)	-	(79)
Balance as at 30 June 2013	20,753	(2,186)	936	-	(6,592)	12,911	294	13,205
Balance as at 1 Oct 2013	20,753	(2,769)	936		(5,218)	13,702	235	13,937
Total comprehensive income/(loss)	-	(50)	-		(303)	(353)	76	(277)
Balance as at 31 Dec 2013	20,753	(2,819)	936	-	(5,521)	13,349	311	13,660
Total comprehensive income/(loss)	-	(22)	-		(152)	(174)	(10)	(184)
Balance as at 31 March 2014	20,753	(2,841)	936	-	(5,673)	13,175	301	13,476
Increase in share capital by rights issue, net of costs	20,430			-	-	20,430		20,430
Total comprehensive income/(loss)		(54)			648	594		594
Balance as at 30 June 2014	41,183	(2,895)	936	-	(5,025)	34,199	301	34,500
COMPANY								
Balance as at 1 Oct 2012	20,753				(4,064)	16,689	-	16,689
Net loss for Q1 FY2013	-	-			(49)	(49)	-	(49)
Balance as at 31 Dec 2012	20,753				(4,113)	16,640	-	16,640
Net loss for Q2 FY2013	-	-			(35)	(35)	-	(35)
Balance as at 31 Mar 2013	20,753				(4,148)	16,605	-	16,605
Net loss for Q3 FY2013	-	-			(30)	(30)	-	(30)
Balance as at 30 Jun 2013	20,753				(4,178)	16,575	-	16,575
Balance as at 1 Oct 2013	20,753				(4,409)	16,344	-	16,344
Net loss for Q1 FY2014	-	-			(40)	(40)	-	(40)
Balance as at 31 Dec 2013	20,753				(4,449)	16,304	-	16,304
Net loss for Q2 FY2014	-	-			(60)	(60)	-	(60)
Balance as at 31 Mar 2014	20,753				(4,509)	16,244	-	16,244
Increase in share capital by rights issue, net of costs	20,430					20,430		20,430
Net loss for Q3 FY2014	-	-			(80)	(80)		(80)
Balance as at 30 Jun 2014	41,183				(4,589)	36,594	-	36,594

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 or 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 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

During the quarter under review, the Company has completed a 4 for 1 rights issue at \$ 0.0075 per share. The net amount raised was 20.4 million after deducting the cost of the exercise. As a result of the rights issue, the enlarged paid up share capital of the Company has increased from \$20.75 million to \$41.18 million comprising of 3,458,811,630 ordinary shares

1(d)(iii) and (iv).Statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial year reported on

Information pursuant to clause 1(d)(iii):

	As at 30 June 2014	As at 30 Sept 13
Total number of issued shares excluding treasury shares	3,458,811,630	691,762,326

Information pursuant to clause 1(d)(iv):

The Company does not have any treasury shares as at end of the immediately preceding financial year on 30th September 2013 and during the first quarter of the current financial year.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by auditors.

3. Where the figures have been audited or reviewed, the auditors' 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 financial information have been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the last financial year.

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

None

6. Earnings/(loss) 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	
	Quarter ended 30 Jun 2014	Quarter ended 30 Jun 2013
Based on the weighted average number of ordinary shares in issue	0.02 cents	(0.01) cents
On a fully diluted basis	0.02 cents	(0.01) cents

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	30-Jun-2014	30-Sep-2013
GROUP	1.00 cents	1.98 cents
COMPANY	1.06 cents	2.36 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The Group's revenue for Q3 FY14 was \$2.2 million compared to \$1.6 million in Q3 FY13. The increase was due mainly to revenue accruing from the lease of the Group's property, plant and equipment facilities in the Philippines. The Group has outsourced its manufacturing operations in the Philippines. The outsourced operator is responsible for the costs of variable manufacturing inputs. As a result of the outsourcing, the Group was able to make a profit of \$156k and generated operating cashflow of \$381k from its manufacturing operations during the quarter. Meanwhile, depreciation dropped from \$0.24 million in Q3 FY2013 to \$0.15 million in Q3 FY2014 due to some fixed assets already being fully depreciated.

The Group's share of results of associates during the quarter was \$360k. This was due mainly to an associate's profit arising from development and construction activities in the Philippines in relation to the Lima Land Project.

The Group made a net profit after tax of \$0.6 million in Q3 FY2014 compared to a loss of \$0.07 million in Q3 FY13

The Group has raised net proceeds of \$20.4 million from a rights issue exercise that was completed during the quarter. From the net proceeds, and during the quarter, the Group has invested \$5 million in an associate company and disbursed \$5 million pursuant to a conditional shareholder loan to the same associate company which is in the business of construction and development in the Asia Pacific region. The Group has also utilised \$ 0.8 million for the purchase of materials and expenses for development of Lima Land in the Philippines.

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

None

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group has diversified its business into the property development and construction industry. The market conditions remain challenging. The Group will continue its efforts in looking at business opportunities in the new diversified sector.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(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/recommendeded by the Company for the current financial period reported on.

13. If no IPT mandate has been obtained, please make a statement to that effect

The Group has not obtained a general mandate from shareholders for IPTs.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

N.A.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

N.A.

15. A breakdown of sales

N.A.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

N.A.

17. Directors confirmation

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results for the quarter ended 30 June 2014 to be false or misleading

BY ORDER OF THE BOARD

Yap Weng Yau
CFO/Director
14-Aug-14