

Half Year Financial Statements And Dividend Announcement for the Period Ended 30 June 2017 (Unaudited)

INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF YEAR RESULTS ENDED 30 JUNE 2017

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

Group	HY2017 US\$'000	HY2016 US\$'000 <i>(Restated) ^{Note 1}</i>	Increase / (Decrease) %
Continuing operations			
Revenue	206	56	268%
Other gains	98	125	-22%
Expenses:			
Employees compensation	(583)	(560)	4%
Change in inventories	(90)	(52)	73%
Rental expense on operating lease	(65)	(82)	-21%
Depreciation, amortisation and impairment charges	(84)	(11)	664%
Professional fees	(117)	(119)	-2%
Other expenses	(53)	(136)	-61%
Total expenses	(992)	(960)	3%
Loss before income tax	(688)	(779)	-12%
Income tax expense	-	-	NM
Net loss from continuing operations	(688)	(779)	-12%
Discontinued operations			
Loss from discontinued operations	-	(78)	NM
Total loss	(688)	(857)	-20%
Attributable to:			
Equity holders of the Company	(550)	(758)	-27%
Non-controlling interests	(138)	(99)	39%
	(688)	(857)	-20%

NM - Not meaningful

1(a)(ii) Consolidated Statement of comprehensive income for the six months ended 30 June 2017

	HY2017 US\$'000	HY2016 US\$'000	Increase / (Decrease) %
Net loss	(688)	(857)	-20%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale, financial assets			
- Fair value losses	-	(525)	NM
Share of other comprehensive income of associated company	-	83	NM
Currency translation differences arising from consolidation	1,027	908	13%
Other comprehensive income, net of tax	1,027	466	120%
Total comprehensive income/(losses)	339	(391)	NM
Attributable to:			
Equity holders of the Company	496	(73)	NM
Non-controlling interests	(157)	(318)	-51%
	339	(391)	NM
Loss per share attributable to:			
Equity holders of the Company (USD cents per share)	(0.02)	(0.03)	-27%

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

Interest income	98	125	-21%
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1(a)(iv) Adjustments for under or over provision of tax in respect of prior years

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

Note 1

In 2016, the Group disposed its entire interests in the 57.5%-owned subsidiary corporation, Onion Holdings Co., Ltd ("Oniontech"). Their results were presented separately under discontinued operations as "(Loss)/profit from discontinued operations" in the Statement of Comprehensive Income in accordance with FRS105, Non-Current Assets Held for Sale and Discontinued Operations.

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

	Group		Company	
	As at 30 June 2017 US\$'000	As at 31 December 2016 US\$'000	As at 30 June 2017 US\$'000	As at 31 December 2016 US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	16,663	18,043	16,316	17,609
Trade and other receivables	1,340	257	6,349	4,368
Inventories	4	6	-	-
	<u>18,007</u>	<u>18,306</u>	<u>22,665</u>	<u>21,977</u>
Non-current assets				
Property, plant and equipment	1,968	1,420	3	4
Intangible assets	85	82	3	3
Investment in subsidiary corporations	-	-	764	726
Land development right	672	643	-	-
	<u>2,725</u>	<u>2,145</u>	<u>770</u>	<u>733</u>
Total assets	<u>20,732</u>	<u>20,451</u>	<u>23,435</u>	<u>22,710</u>
LIABILITIES				
Current liabilities				
Trade and other payables	402	460	148	222
	<u>402</u>	<u>460</u>	<u>148</u>	<u>222</u>
Total liabilities	<u>402</u>	<u>460</u>	<u>148</u>	<u>222</u>
NET ASSETS	<u>20,330</u>	<u>19,991</u>	<u>23,287</u>	<u>22,488</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	33,034	33,034	33,034	33,034
Treasury shares	(994)	(994)	(994)	(994)
Other reserves	(1,044)	(2,090)	(1,067)	(2,221)
Accumulated losses	(10,141)	(9,591)	(7,686)	(7,331)
	<u>20,855</u>	<u>20,359</u>	<u>23,287</u>	<u>22,488</u>
Non-controlling interests	(525)	(368)	-	-
Total equity	<u>20,330</u>	<u>19,991</u>	<u>23,287</u>	<u>22,488</u>

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

As at 30 June 2017 and 31 December 2016, the Group does not have any borrowings and debt securities payable.

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

	HY2017	HY2016
	US\$'000	US\$'000
Cash flows from operating activities		<i>(Restated)</i>
Net loss from continuing operations	(688)	(779)
Net loss from discontinued operations	-	(78)
Adjustments for:		
Amortisation, depreciation and impairment	84	144
Gain on disposal of available-for-sale financial assets	-	(600)
Interest income	(98)	(126)
Interest expense	-	75
Provision for retirement benefits	-	47
Currency translation differences	(276)	701
	(978)	(616)
Change in working capital		
Trade and other receivables	(1,087)	381
Inventories	2	(21)
Trade and other payables	402	(14)
Cash used in operations	(1,661)	(270)
Interest received	98	126
Net cash used in operating activities	(1,563)	(144)
Cash flows from investing activities		
Additions to property, plant and equipment	(632)	(1,338)
Proceeds from disposal of available-for-sale financial assets	-	1,379
Payments for retirement benefits	-	(5)
Net cash (used in)/from investing activities	(632)	36
Cash flows from financing activities		
Repayment of borrowings	-	(14)
Interest paid	-	(75)
Net cash used in financing activities	-	(89)
Net decrease in cash and cash equivalents	(2,195)	(197)
Cash and cash equivalents at the beginning of the financial period	18,043	19,874
Effects of currency translation on cash and cash equivalents	815	919
Cash and cash equivalents at the end of the financial period	16,663	20,596

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Attributable to equity holders of the Company								
Group						Accumulated losses		
	Share capital	Treasury shares	Fair value reserve	Currency translation reserve	Actuarial losses	Other	Non-controlling Interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As at 1 January 2017	33,034	(994)	-	(2,090)	-	(9,591)	(368)	19,991
Total comprehensive income/(loss) for the period	-	-	-	1,046	-	(550)	(157)	339
Balance as at 30 June 2017	33,034	(994)	-	(1,044)	-	(10,141)	(525)	20,330
As at 1 January 2016	33,034	(994)	569	(2,389)	(184)	(6,692)	1,869	25,213
Total comprehensive income/(loss) for the period	-	-	(254)	939	-	(758)	(318)	(391)
Balance as at 30 June 2016	33,034	(994)	315	(1,450)	(184)	(7,450)	1,551	24,822
Company								
	Share capital	Treasury shares	Other reserves	Accumulated losses	Total equity			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000			
As at 1 January 2017	33,034	(994)	(2,221)	(7,331)	22,488			
Total comprehensive income for the period	-	-	1,154	(355)	799			
Balance as at 30 June 2017	33,034	(994)	(1,067)	(7,686)	23,287			
Company								
	Share capital	Treasury shares	Other reserves	Accumulated losses	Total equity			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000			
As at 1 January 2016	33,034	(994)	(1,712)	(6,763)	23,565			
Total comprehensive loss for the period	-	-	1,154	(502)	652			
Balance as at 30 June 2016	33,034	(994)	(558)	(7,265)	24,217			

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital and treasury shares as at 31 December 2016 and 30 June 2017. The Company had on 21 February 2014 entered into a placement and call option agreement and a consultancy agreement. As a result, 210,000,000 call option shares ("Call Option Shares") were issued, which were subsequently adjusted to 350,755,370 Call Option Shares, following completion of a rights issue in FY2015. In addition, up to 5,000,000 arranger shares may be issued pursuant to the exercise of the call options. The number of call option shares and arranger share that may be issued as at 30 June 2017 and 30 June 2016 respectively are as below:

	As at 30 June 2017	As at 30 June 2016
Call Options Shares ('000)	325,701	325,701
Arranger shares ('000)	5,000	5,000

Other than the above, the Company did not have any outstanding convertibles as at 30 June 2016 and 30 June 2017 respectively. The Company has 12,374,000 treasury shares as at 30 June 2017 and 30 June 2016 respectively.

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

	As at 30 June 2017	As at 31 December 2016
Total number of issued shares excluding treasury shares ('000)	2,510,924	2,510,924
Total number of treasury shares ('000)	12,374	12,374
Percentage of treasury shares	0.49%	0.49%

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

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

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable, the Company does not have any subsidiary holdings as at 30 June 2017.

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

The figures for the financial period ended 30 June 2017 reported on have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Paragraph 5 below, the Group has applied substantially the same accounting policies and methods of computation as disclosed in the audited financial statements for the financial year ended 31 December 2016.

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

The Group adopted the relevant new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2017, if any.

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

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

	HY2017 USD cents	HY2016 USD cents
(a) Based on the weighted average number of ordinary shares in issue; and	(0.02)	(0.03)
(b) On a fully diluted basis (detailing any adjustments made to the losses).	(0.02)	(0.03)

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

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 30 June 2017	As at 31 December 2016	As at 30 June 2017	As at 31 December 2016
Net asset value (USD'000)	20,855	20,359	23,287	22,488
Ordinary shares in issue ('000)	2,510,924	2,510,924	2,510,924	2,510,924
Net asset value/Share (USD cents)	0.83	0.81	0.93	0.90

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement

The Group has disposed of Onion Holdings Co., Ltd ("Oniontech"), which was a 57.5%-owned subsidiary previously, in the financial year ended 31 December 2016 ("FY2016"). The disposal was completed on 10 October 2016. Correspondingly, the financial results in relation to the software solutions segment in Korea, has been reclassified as discontinued operations for financial period ended 30 June 2016 ("HY2016"). For the financial period ended 30 June 2017 ("HY2017"), revenue increased from US\$0.06 million in HY2016 to US\$0.21 million or by 268%, mainly due to contribution of agricultural sales from the 51%-owned subsidiary, Meod Pte. Ltd. ("MEOD"). There was no other significant revenue contribution from the property development segment.

Other income decreased by US\$0.27 million or 22% from US\$0.125 million in HY2016 to US\$0.10 million in HY2017, mainly due to lower interest incomes received from deposits with banks.

Total expenses is consistent with the previous financial period with a 3% increase from US\$0.96 million in HY2016 to US\$0.99 million in HY2017, mainly due to increases in inventory costs and depreciation in relation to the agricultural segment, of which plantation has been gradually commenced in the greenhouse in HY2017. The increase was offset by decrease in rental expenses and other miscellaneous expenses as management continues to be cautious for cost management amid the uncertain business outlook of the market.

As a result of the above, the Group registered a net loss before tax of US\$0.69 million in HY2017, as compared with a net loss of US\$0.78 million in HY2016, excluding the net loss of US\$0.08 million from discontinued operations in Korea. The loss attributable to shareholders reduced by 27% to US\$0.55 million in HY2017, as compared to a loss of US\$0.76 million in HY2016.

Balance Sheet and Statement of Cash Flow

Compared to 31 December 2016, the Group's cash and cash equivalent balances have decreased by US\$1.38 million, from US\$18.04 million to US\$16.66 million as at 30 June 2017, mainly due to utilisation of cash for general overheads purposes. Compared to 31 December 2016, the increase in trade and other receivables from US\$0.26 million to US\$1.34 million as at 30 June 2017 was mainly due to a deposit amounting to S\$1.5 million placed on a unrelated company for an option of 17% minority stake of equity investment in the company. Management is still in the process of performing due diligences on this potential investment in unquoted shares. The Group also continued the development of the greenhouse under MEOD during the financial period under review, evidently, the property, plant and equipment has increased from US\$1.42 million to US\$1.97 million as at 30 June 2017.

Net current assets of the Group stood at US\$17.61 million as at 30 June 2017, decreased from US\$17.85 million as at 31 December 2016.

The inflows and outflows of cash are detailed in the Group Consolidated Statement of Cash Flows. The net cash outflow from operating activities was mainly due to operating expenses, which was largely attributable to general overheads and business development expenses, incurred by the property development and agricultural segment in Singapore and Malaysia in HY2017. Net cash outflow for investing activities was mainly due to capital expenditures incurred for the construction of the greenhouse for the agricultural business. As a result of the above, the Group's cash and cash equivalents as at the end of HY2017 was US\$16.66 million.

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

There was no prospect statement or forecast made previously.

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

During the period under review, the Group had continued to focus on optimisation of the agricultural production under the agricultural segment. The Group also committed to increase the utilisation rate of the farmhouse from 40% at present to 100% by end of current financial year.

In view of the changing market conditions and developments, the Group is also reviewing the overall strategic direction of the Group's businesses (including the agricultural and property development segments) to continue optimizing company's investments.

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

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

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date of Payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared/recommended for the half year ended 30 June 2017.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

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

We, Ong Boon Chuan and Hor Siew Fu, being two Directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the half year ended 30 June 2017 to be false or misleading in any material aspect.

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

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

16. Use of proceeds from Placement and Rights Issue

Placement

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

Description	Amount allocated (S\$ million)	Amount utilised (S\$ million)	Balance (S\$ million)
Exploration of the property development business	5.4	(3.3)	2.1
General working capital*	0.6	(0.6)	-
Total	6.0	(3.9)	2.1

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

Rights Issue

The net proceeds from the Rights Issue, which was completed on 8 July 2015 was approximately S\$21.1 million, the utilisation of the proceeds is as follows:

Description	Amount allocated (S\$ million)	Amount utilised (S\$ million)	Balance (S\$ million)
Exploration of the property development business	12.1	-	12.1
General corporate activities	5.0	(3.5)	1.5
General working capital*	4.0	(2.0)	2.0
Total	21.1	(5.5)	15.6

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

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

By Order of the Board

Ong Boon Chuan
Executive Chairman and Chief Executive Officer

Hor Siew Fu
Independent Director

11 August 2017

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

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

The contact person for the Sponsor is Mr. Ong Hwee Li (telephone:+6565323829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.