

HLH GROUP LIMITED
(Co. Registration No. 199905292D)
Unaudited Full Year Financial Statement and Related Announcement for the Period Ended 31 December 2014
Part 1 - Information required for announcements of quarterly (Q1, Q2 & 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 ----->					
	Quarter ended 31 December			Full year ended 31 December		
	2014	2013	Change	2014	2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1,369	1,057	30	6,800	4,603	48
Cost of sales	(227)	(1,940)	(88)	(3,152)	(6,164)	(49)
Gross profit/(loss)	1,142	(883)	NM	3,648	(1,561)	NM
Other income	3,719	93	>100	4,128	322	>100
Distribution and selling expenses	-	(6)	(100)	(18)	(39)	(54)
Administrative expenses	(2,129)	(1,316)	62	(5,561)	(5,415)	3
Other expenses	(289)	(659)	(56)	(296)	(678)	(56)
Finance costs	(50)	(63)	(21)	(223)	(322)	(31)
Profit/(Loss) before taxation	2,393	(2,834)	NM	1,678	(7,693)	NM
Income tax expenses	(754)	(1)	>100	(751)	(10)	>100
Net profit/(loss) for the period {note (i)}	1,639	(2,835)	NM	927	(7,703)	NM
Other comprehensive income						
Foreign currency translation	2,224	48	>100	2,438	381	>100
Exchange differences on monetary items forming part of net investment in a foreign operation	1,191	220	>100	1,335	782	71
Revaluation of land and buildings	-	-		39,614	-	
Other comprehensive income for the period, net of tax	3,415	268	>100	43,387	1,163	>100
Total comprehensive income for the period	5,054	(2,567)	NM	44,314	(6,540)	NM
Net profit/(loss) attributable to:						
Owners of the parent	1,587	(2,832)	NM	890	(7,690)	NM
Non-controlling interests	52	(3)	NM	37	(13)	NM
	1,639	(2,835)	NM	927	(7,703)	NM
Total comprehensive income attributable to:						
Owners of the parent	5,000	(2,566)	NM	44,274	(6,538)	NM
Non-controlling interests	54	(1)	NM	40	(2)	NM
	5,054	(2,567)	NM	44,314	(6,540)	NM

NM - Not meaningful

Note (i) – Net profit/(loss) for the period

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

	<----- Group ----->			
	Quarter ended		Full year ended	
	42,369		42,369	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Fair value loss on held for trading investment securities	238	634	239	634
Gain on change in fair value of investment properties	(3,382)	-	(3,382)	-
(Gain)/Loss on change in fair value of agricultural produce	(1)	499	(156)	844
Gain on disposal of property, plant and equipment	(10)	(8)	(26)	(25)
Interest income	(42)	-	(96)	(65)
Net foreign exchange gain	(177)	(44)	(242)	(87)
Depreciation of property, plant and equipment	556	611	2,185	2,426

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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current assets				
Property, plant and equipment	23,480	44,580	57	76
Investment properties	77,864	276	276	276
Investments in subsidiaries	-	-	1,000	1,000
	101,344	44,856	1,333	1,352
Current assets				
Inventories	889	2,766	-	-
Biological assets	-	83	-	-
Trade receivables	3,595	277	-	-
Other receivables, deposits and prepayments	1,557	733	29	28
Amounts due from subsidiaries	-	-	84,915	79,671
Amounts due from non-controlling shareholders	831	1,100	-	-
Investment securities	426	635	424	633
Cash and cash equivalents	5,202	10,098	1,125	6,305
	12,500	15,692	86,493	86,637
Total assets	113,844	60,548	87,826	87,989
Equity and liabilities				
Current liabilities				
Trade payables	228	334	-	-
Other payables and accruals	2,764	2,699	431	379
Amounts due to subsidiaries	-	-	10,955	11,067
Provision for taxation	85	195	2	2
Loans and borrowings	2,308	2,012	-	-
	5,385	5,240	11,388	11,448
Net current assets	7,115	10,452	75,105	75,189
Non-current liabilities				
Deferred tax liabilities	11,091	-	-	-
Loans and borrowings	162	2,215	-	-
	11,253	2,215	-	-
Total liabilities	16,638	7,455	11,388	11,448
Net assets	97,206	53,093	76,438	76,541
Equity attributable to owners of the parent				
Share capital	105,426	105,426	105,426	105,426
Other reserves	42,061	(1,323)	(459)	(459)
Accumulated losses	(51,535)	(52,425)	(28,529)	(28,426)
	95,952	51,678	76,438	76,541
Non-controlling interests	1,254	1,415	-	-
Total equity	97,206	53,093	76,438	76,541
Total equity and liabilities	113,844	60,548	87,826	87,989

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 31.12.2014		As at 31.12.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,308	-	2,012	-
162	-	2,215	-

Details of any collaterals

As at 31 December 2014, 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 ----->			
	Quarter ended		Full year ended	
	42,369		42,369	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit/(Loss) before taxation	2,393	(2,834)	1,678	(7,693)
<u>Adjustments for:</u>				
Interest expense	50	63	223	322
Bad debts written off	12	-	18	-
Depreciation of property, plant and equipment	556	611	2,185	2,426
Gain on change in fair value of investment properties	(3,382)	-	(3,382)	-
Gain on disposal of property, plant and equipment	(10)	(8)	(26)	(25)
Fixed assets written off	-	8	-	22
Foreign exchange adjustments	(1,803)	152	(2,007)	(53)
Fair value loss on held for trading investment securities	238	634	239	634
(Gain)/Loss on change in fair value of agricultural produce	(1)	499	(156)	844
Interest income	(42)	-	(96)	(65)
Operating loss before working capital changes	(1,989)	(875)	(1,324)	(3,588)
<u>Changes in working capital</u>				
Trade and other receivables	580	776	(4,121)	2,055
Inventories and biological assets	323	1,075	2,250	(459)
Amounts due from non-controlling shareholders	69	-	269	(200)
Trade and other payables	44	622	(131)	225
Cash flows (used in)/from operations	(973)	1,598	(3,057)	(1,967)
Interest paid	(50)	(63)	(223)	(322)
Income tax paid	760	-	642	(308)
Interest received	42	-	96	65
Net cash flows (used in)/from operating activities	(221)	1,535	(2,542)	(2,532)
Cash flows from investing activities				
(Withdrawal)/Placement of fixed deposit pledged	-	-	4,100	(4,100)
Purchase of an investment property	(415)	-	(415)	-
Purchase of property, plant and equipment	929	(1,982)	(772)	(6,950)
Proceeds from sale of property, plant and equipment	499	81	842	236
Net cash flows (used in)/from investing activities	1,013	(1,901)	3,755	(10,814)

Consolidated Cash Flow Statement (cont'd)

	<----- Group ----->			
	Quarter ended		Full year ended	
	31-Dec		31-Dec	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Proceeds from term loans	-	-	-	3,757
Repayment of term loans	(1,050)	(4,799)	(2,068)	(5,459)
Proceeds from/(Repayment to) hire purchase creditors	(20)	123	119	119
Acquisition of interests from a non-controlling shareholder	(250)	-	(125)	-
Net cash flows used in financing activities	(1,320)	(4,676)	(2,074)	(1,583)
Net decrease in cash and cash equivalents	(528)	(5,042)	(861)	(14,929)
Cash and cash equivalents at beginning of period	5,674	11,037	5,998	20,918
Effect of exchange rate changes on balances held in foreign currencies	56	3	65	9
Cash and cash equivalents at end of period	5,202	5,998	5,202	5,998

Cash and cash equivalent at end of period

	31.12.2014	31.12.2013
	S\$'000	S\$'000
Cash at bank and in hand	2,621	3,986
Fixed deposits with financial institutions	2,581	6,112
Less: Fixed deposit pledged	-	(4,100)
	5,202	5,998

- 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						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
Group							
Balance at 1 January 2013	105,426	(44,735)	481	-	(2,956)	2,917	61,133
Net foreign exchange difference arising on consolidation of foreign subsidiaries	-	-	-	-	139	3	142
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	289	-	289
Net loss for 1Q2013	-	(1,476)	-	-	-	(3)	(1,479)
Total comprehensive income for 1Q2013	-	(1,476)	-	-	428	-	(1,048)
Balance at 31 March 2013	105,426	(46,211)	481	-	(2,528)	2,917	60,085
Net foreign exchange difference arising on consolidation of foreign subsidiaries	-	-	-	-	236	5	241
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	425	-	425
Net loss for 2Q2013	-	(1,538)	-	-	-	(3)	(1,541)
Total comprehensive income for 2Q2013	-	(1,538)	-	-	661	2	(875)
Balance at 30 June 2013	105,426	(47,749)	481	-	(1,867)	2,919	59,210
Net foreign exchange difference arising on consolidation of foreign subsidiaries	-	-	-	-	(51)	1	(50)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	(152)	-	(152)
Net loss for 3Q2013	-	(1,844)	-	-	-	(4)	(1,848)
Total comprehensive income for 3Q2013	-	(1,844)	-	-	(203)	(3)	(2,050)
Balance at 30 September 2013	105,426	(49,593)	481	-	(2,070)	2,916	57,160
Net foreign exchange difference arising on consolidation of foreign subsidiaries	-	-	-	-	46	2	48
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	220	-	220
Net loss for 4Q2013	-	(2,832)	-	-	-	(3)	(2,835)
Total comprehensive income for 4Q2013	-	(2,832)	-	-	266	(1)	(2,567)
Capital reduction to a non-controlling shareholder	-	-	-	-	-	(300)	(300)
Dividend paid to a non-controlling shareholder	-	-	-	-	-	(1,200)	(1,200)
Total contributions by and distribution to owners	-	-	-	-	-	(1,500)	(1,500)
Balance at 31 December 2013	105,426	(52,425)	481	-	(1,804)	1,415	53,093

Statements of Changes in Equity (cont'd)

Group	Attributable to owners of the parent						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	
Balance at 1 January 2014	105,426	(52,425)	481	-	(1,804)	1,415	53,093
Revaluation of land and buildings	-	-	-	39,614	-	-	39,614
Net foreign exchange difference arising on consolidation of foreign subsidiaries	-	-	-	-	(298)	(5)	(303)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	(106)	-	(106)
Net loss for 1Q2014	-	(136)	-	-	-	(3)	(139)
Total comprehensive income for 1Q2014	-	(136)	-	39,614	(404)	(8)	39,066
Balance at 31 March 2014	105,426	(52,561)	481	39,614	(2,208)	1,407	92,159
Net foreign exchange difference arising on consolidation of foreign subsidiaries	-	-	-	-	(510)	(1)	(511)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	(321)	-	(321)
Net loss for 2Q2014	-	(128)	-	-	-	(4)	(132)
Total comprehensive income for 2Q2014	-	(128)	-	-	(831)	(5)	(964)
Balance at 30 June 2014	105,426	(52,689)	481	39,614	(3,039)	1,402	91,195
Net foreign exchange difference arising on consolidation of foreign subsidiaries	-	-	-	-	1,021	7	1,028
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	571	-	571
Net loss for 3Q2014	-	(433)	-	-	-	(8)	(441)
Total comprehensive income for 3Q2014	-	(433)	-	-	1,592	(1)	1,158
Capital contribution from a non-controlling shareholder	-	-	-	-	-	124	124
Return of capital contribution to a non-controlling shareholder	-	-	-	-	-	(200)	(200)
Total contributions by and distribution to owners	-	-	-	-	-	(76)	(76)
Balance at 30 September 2014	105,426	(53,122)	481	39,614	(1,447)	1,325	92,277
Net foreign exchange difference arising on consolidation of foreign subsidiaries	-	-	-	-	2,222	2	2,224
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	1,191	-	1,191
Net profit for 4Q2014	-	1,587	-	-	-	52	1,639
Total comprehensive income for 4Q2014	-	1,587	-	-	3,413	54	5,054
Acquisition of interests from a non-controlling shareholder	-	-	-	-	-	(125)	(125)
Balance at 31 December 2014	105,426	(51,535)	481	39,614	1,966	1,254	97,206

Statements of Changes in Equity (cont'd)

Company	Share Capital S\$'000	Accumula- ted losses S\$'000	Capital reserve S\$'000	Equity total S\$'000
Balance at 1 January 2013	105,426	(27,979)	(459)	76,988
Net profit for 1Q2013	-	98	-	98
Total comprehensive income for 1Q2013	-	98	-	98
Balance at 31 March 2013	105,426	(27,881)	(459)	77,086
Net profit for 2Q2013	-	89	-	89
Total comprehensive income for 2Q2013	-	89	-	89
Balance at 30 June 2013	105,426	(27,792)	(459)	77,175
Net profit for 3Q2013	-	61	-	61
Total comprehensive income for 3Q2013	-	61	-	61
Balance at 30 September 2013	105,426	(27,731)	(459)	77,236
Net loss for 4Q2013	-	(695)	-	(695)
Total comprehensive income for 4Q2013	-	(695)	-	(695)
Balance at 31 December 2013	105,426	(28,426)	(459)	76,541
Balance at 1 January 2014	105,426	(28,426)	(459)	76,541
Net profit for 1Q2014	-	74	-	74
Total comprehensive income for 1Q2014	-	74	-	74
Balance at 31 March 2014	105,426	(28,352)	(459)	76,615
Net profit for 2Q2014	-	13	-	13
Total comprehensive income for 2Q2014	-	13	-	13
Balance at 30 June 2014	105,426	(28,339)	(459)	76,628
Net profit for 3Q2014	-	33	-	33
Total comprehensive income for 3Q2014	-	33	-	33
Balance at 30 September 2014	105,426	(28,306)	(459)	76,661
Net loss for 4Q2014	-	(223)	-	(223)
Total comprehensive income for 4Q2014	-	(223)	-	(223)
Balance at 31 December 2014	105,426	(28,529)	(459)	76,438

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 during 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 31 December 2014 and 31 December 2013 were 3,957,211,329 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 for the financial year ended 31 December 2013 have been applied in the preparation for the unaudited financial statements for the financial period ended 31 December 2014, except that the Group has adopted new Financial Reporting Standards which became effective on annual periods beginning on or after 1 January 2014 and a change in accounting policy in respect of the Group's investment properties as mentioned in item 5 below.

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.

During the current period, the Group has reclassified Land and Buildings of \$20.76 million to Investment Properties resulting from the change in mode of its operations in Cambodia. Accordingly, the Group has changed its accounting policy in respect of its investment properties from cost model to fair value model in accordance with the provisions of FRS 40 Investment Property. The purpose of the change is to better reflect the market value of the Group's investment properties carried in the financial statements. This change in accounting policy is not expected to result in an adjustment to opening retained earnings as the carrying value of the Group's investment property as at 31 December 2013 is close to its market value. For the current period, the Group recognised an aggregate gain on change in fair value of \$53.05 million for three of its investment properties in Cambodia to Asset revaluation reserve and Gain on change in fair value in accordance with the provisions of FRS 16 Property, Plant and Equipment and FRS 40 Investment Property respectively. The fair values of the investment properties have been determined based on valuations performed by an independent valuer with recent experience in the location and category of the property being valued.

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.

Profit/(Loss) per ordinary share attributable to owners of the parent for the period:-

Basic

Diluted

<----- Group ----->			
Quarter ended		Full year ended	
31-Dec		31-Dec	
2014	2013	2014	2013
in cents	in cents	in cents	in cents
0.040	(0.072)	0.022	(0.194)
0.040	(0.072)	0.022	(0.194)

The basic and diluted earnings per share are calculated based on the weighted average number of shares in issue during the period of 3,957,211,329 (31.12.2013: 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.**

Net asset value per ordinary share based on issued share capital

Group		Company	
31.12.2014	31.12.2013	31.12.2014	31.12.2013
in cents	in cents	in cents	in cents
2.425	1.306	1.932	1.934

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 3,957,211,329 (2013: 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 and Gross Profit

Revenue

<----- Group ----->

Quarter ended		Full year ended	
42,369		42,369	
2014	2013	2014	2013
S\$'000	S\$'000	S\$'000	S\$'000

Agriculture Division

1,369	1,057	6,800	4,603
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The Group's revenue increased by \$2.20 million in FY2014 to \$6.80 million as compared to \$4.60 million in FY2013 and \$0.31 million in 4Q2014 to \$1.37 million as compared to \$1.06 million in 4Q2013 due primarily to the cooperation income of \$3.23 million and \$0.82 million pertaining to the joint operations with Zhong Fu International Investment (Cambodia) Ltd ("Zhong Fu") in FY2014 and 4Q2014 respectively.

Gross profit/(loss)

<----- Group ----->

Quarter ended		Full year ended	
42,369		42,369	
2014	2013	2014	2013
S\$'000	S\$'000	S\$'000	S\$'000

Agriculture Division

810 (1,182) 3,316 (1,860)

Property Development Division

332 299 332 299

1,142	(883)	3,648	(1,561)
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The Group achieved a gross profit of \$3.65 million in FY2014 as compared to a gross loss of \$1.56 million in FY2013 mainly contributed by the recognition of cooperation income of \$3.23 million pertaining to the joint operations with Zhong Fu in FY2014. The Group also achieved a gross profit of \$1.14 million in FY2014 as compared to a gross loss of \$0.88 million in FY2013 mainly contributed by the recognition of cooperation income of \$0.82 million pertaining to the joint operations with Zhong Fu in 4Q2014. The cooperation income is offset by minimal direct costs to the joint operations.

Other income

The Group's other income increased by \$3.81 million in FY2014 to \$4.13 million as compared to \$0.32 million in FY2013 and \$3.63 million in 4Q2014 to \$3.72 million as compared to \$0.09 million in 4Q2013 as the Group recognised an aggregate gain on change in fair value of \$3.38 million to three of its investment properties in Cambodia. The fair values of the investment properties have been determined based on valuations performed by an independent valuer with recent experience in the location and category of the property being valued.

Administrative expenses

Administrative expenses of the Group increased slightly by \$0.14 million in FY2014 to \$5.56 million as compared to \$5.42 million in FY2013. Administrative expenses of the Group increased by \$0.81 million in 4Q2014 to \$2.13 million as compared to \$1.32 million in 4Q2013 mainly due to increase in indirect tax expenses accrual, corporate legal expenses and professional fees incurred for potential property development projects in Cambodia. Administrative expenses for FY2014 and 4Q2014 comprised mainly personnel expenses of \$1.58 million (FY2013: \$1.56million) and \$0.39 million (4Q2013: \$0.41 million), depreciation expenses of \$1.47 million (FY2013: \$1.86 million) and \$0.33 million (4Q2013: \$0.46 million), and upkeep of plant and equipment of \$0.50 million (FY2013: \$0.99million) and \$0.22 million (4Q2013: \$0.15 million) respectively.

Other expenses

The decrease in other expenses for both FY2014 and 4Q2014 was mainly contributed by lower fair value loss on held for trading investment securities of \$0.24 million (FY2013: \$0.63 million) and \$0.24 million (4Q2013: \$0.63 million) respectively.

Finance costs

Finance cost for both FY2014 and 4Q2014 decreased by \$0.10 million and \$0.01 million respectively mainly due to reduction in outstanding bank loans during the current period.

Incomes tax expenses

Income tax expenses for FY2014 and 4Q2014 mainly comprised deferred tax expenses pertaining to the gain on change in fair value to the Investment Properties in Cambodia recognised in profit and loss.

In summary, the Group achieved a net profit of \$0.93 million in FY2014 as compared to a net loss of \$7.70 million in FY2013. The Group also achieved a net profit of \$1.64 million in 4Q2014 as compared to a net loss of \$2.84 million in 4Q2013. The Group achieved total comprehensive income of \$44.31 million and \$5.05 million in FY2014 and 4Q2014 respectively, as compared to total comprehensive loss of \$6.54 million and \$2.57 million for the corresponding periods.

Review of Financial Position

Property, plant and equipment decreased by \$21.10 million from \$44.58 million as at 31 December 2013 to \$23.48 million as at 31 December 2014. The decrease was mainly due to the reclassification of Land and Buildings to Investment Properties of \$20.76 million resulting from the change in mode of the Group's operations in Cambodia.

Investment Properties increased by \$77.58 million from \$0.28 million as at 31 December 2013 to \$77.86 million as at 31 December 2014. The increase was mainly due to the reclassification of Land and Buildings to Investment Properties of \$20.76 million resulting from the change in mode of the Group's operations in Cambodia. In addition, the Group recognised an aggregate gain on change in fair value of \$53.05 million to these reclassified Investment Properties to Asset revaluation reserve and Gain on change in fair value. The fair values of these investment properties have been determined based on valuations performed by an independent valuer with recent experience in the location and category of the property being valued.

Inventories decreased by \$1.88 million from \$2.77 million as at 31 December 2013 to \$0.89 million as at 31 December 2014. The decrease was mainly attributed to sale of dry corn inventory during the current period.

Trade receivables increased by \$3.32 million from \$0.28 million as at 31 December 2013 to \$3.60 million as at 31 December 2014 mainly due to the accrual of cooperation income due from Zhong Fu for the current period.

The increase in other receivables by \$0.83 million from \$0.73 million as at 31 December 2013 to \$1.56 million as at 31 December 2014 was mainly due to balance deposit of US\$0.59 million previously paid pertaining to the proposed acquisition of land situated in the heart of Phnom Penh City Centre for planned development of office tower, luxury condominiums, and F&B and retail buildings.

Investment securities reduced by \$0.21 million from \$0.64 million as at 31 December 2013 to \$0.43 million as at 31 December 2014 due to the decrease in fair value of the investment securities.

Trade payables reduced by \$0.10 million from \$0.33 million as at 31 December 2013 to \$0.23 million as at 31 December 2014 mainly due to lower purchases made during the current period resulting from the change in mode of the Group's operations in Cambodia.

Other payables and accruals decreased by \$0.07 million from \$2.70 million as at 31 December 2013 to \$2.77 million as at 31 December 2014 mainly due the return of deposits to sub contract farmers and settlement of accrued operating expenses.

Reduction in provision for taxation relates to the payment of income tax by one of the Group's property development subsidiary.

Deferred tax liabilities of \$11.09 million was provided as at 31 December 2014 pertaining to the fair value increase of \$53.05 million to the Investment Properties in Cambodia.

The net assets of the Group were \$97.21 million as at 31 December 2014 (FY2013: \$53.09 million).

Review of Cash Flow Statement

Net cash flows used in operating activities for FY2014 was \$2.54 million as compared to \$2.53 million for FY2013. The utilisation in FY2014 was mainly for working capital while the utilisation in FY2013 was mainly due to operating losses.

Net cash flow of \$3.76 million was generated from investing activities for FY2014 as compared to \$10.81 million used in FY2013. The utilisation in FY2013 was due mainly to the costs incurred in upgrading works at D'Kranji Farm, and land improvements and the purchase of plant and equipment for the Group's operations in Cambodia. In addition, a fixed deposit of \$4.1 million was pledged with a bank for banking facility in FY2013. The fixed deposit was withdrawn in FY2014.

Net cash flow of \$2.07 million was used in financing activities in FY2014 while \$1.58 million was used in FY2013. The decrease in cash flows was mainly due to repayment of term loan pertaining to the Group's operations in Cambodia.

Overall, cash and cash equivalents of the Group stood at \$5.20 million as at 31 December 2014 (31.12.2013: \$6.00 million).

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

Consistent with previous statements.

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 new mode of joint operations with partners in respect of the cultivation, processing and production of cassava (or maize and sugarcane) in the Group's plantation land had commenced since the beginning of FY2014. Going forward, the agriculture division will adopt similar business model to source for potential agriculture land parcels in Cambodia for development, operate through collaboration with joint operation partners and eventually transfer to plantation land owners/operators via plantation asset sale.

Further to the above, leveraging on our existing trading platform and already established co-operative network in Cambodia, the Group is exploring to value add to our raw cassava product by converting it into starch and premium ethanol with the aim to generate better returns for the Group.

Apart from the above, the Group is also exploring to leverage on our existing network to commence trading in cassava, sugar and rice. Our main target markets would be China, India and other Asia countries.

The Group is seeking partners from agriculture industry with new and advanced agriculture technologies to showcase in the production kiosks of our farm resort in D'Kranji with the aim to attract more visitors. We will also put in continuous efforts in our advertising and marketing strategies to attract more holiday-makers and visitors. Similar to the business operating model in Cambodia, the farm resort is currently ready for transfer to resort owners/operators through resort asset sale.

PROPERTY DEVELOPMENT DIVISION

The Group will continue to seek opportunities for property development, especially in Cambodia. We are continuously looking at potential land parcels in Cambodia for property development with the intention to launch a development project in FY2015.

Moving forward, we will remain resilient and focus on positioning our strategic platform in both our agriculture and property development divisions to face the challenges ahead and lay a foundation for sustainable growth.

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/recommended, 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results.)

14. Segmental 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.

Business Segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

Agriculture Division

The Agriculture Division carries on the business of agricultural development, cultivation, branding, and merchandising and distribution of corn for the processing and animal feed milling industries and includes the agriculture-related resort business.

Property Development and Real Estate Division

The Property Investment and Development Division is carrying on the business of investment and prime development of commercial and residential properties.

Others

Others segment comprises:

- the Company who is engaged in the business of investment holding generating income from management services provided to related companies and dividend; and
- other subsidiaries whose scope of activities and financial results are not material enough to be reported under a separately reportable segment or who are currently dormant.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Business Segments**2014****Revenue:**

	Agriculture Division S\$'000	Property development and real estate Division S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
External sales	6,800	-	-	-	6,800
Inter-segment sales	-	-	1,575	(1,575)	-
	<u>6,800</u>	<u>-</u>	<u>1,575</u>	<u>(1,575)</u>	<u>6,800</u>

Results:

Interest income	66	24	6	-	96
Gain/(Loss) on disposal of property, plant and equipment	26	-	-	-	26
Gain on change in fair value of investment properties	3,382	-	-	-	3,382
Fair value loss on securities held for trading investment securities	-	(1)	(238)	-	(239)
Fair Value Adjustment to agricultural produce	156	-	-	-	156
Depreciation	(2,073)	(94)	(18)	-	(2,185)
Finance costs	(219)	(4)	-	-	(223)
Segment profit/(loss)	<u>5,330</u>	<u>(91)</u>	<u>(103)</u>	<u>(3,458)</u>	<u>1,678</u>

Assets:

Additions to non-current assets	782	405	-	-	1,187
Segment assets	<u>108,331</u>	<u>3,602</u>	<u>1,911</u>	<u>-</u>	<u>113,844</u>

Segment liabilities

	<u>(2,478)</u>	<u>(84)</u>	<u>(431)</u>	<u>-</u>	<u>(2,993)</u>
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Business Segments

	Property development and real estate				
	Agriculture Division	Division	Others	Elimination	Group
2013	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:					
External sales	4,603	-	-	-	4,603
Inter-segment sales	-	-	1,500	(1,500)	-
	<u>4,603</u>	<u>-</u>	<u>1,500</u>	<u>(1,500)</u>	<u>4,603</u>
Results:					
Interest income	1	-	64	-	65
(Loss)/Gain on disposal of property, plant and equipment	25	-	-	-	25
Fair value gain/(loss) on held for trading investment securities	-	(1)	(633)	-	(634)
Fair value adjustment to agriculture produce	(844)	-	-	-	(844)
Depreciation	(2,253)	(21)	(152)	-	(2,426)
Finance costs	(322)	-	-	-	(322)
Segment (loss)/profit	<u>(6,284)</u>	<u>200</u>	<u>(446)</u>	<u>(1,163)</u>	<u>(7,693)</u>
Assets:					
Additions to non-current assets	6,886	-	64	-	6,950
Segment assets	<u>53,101</u>	<u>129</u>	<u>7,318</u>	<u>-</u>	<u>60,548</u>
Segment liabilities	<u>(2,246)</u>	<u>(408)</u>	<u>(379)</u>	<u>-</u>	<u>(3,033)</u>

Geographical Segments

Revenue and non-current assets information based on the geographical location of the customers and assets respectively are as follows:

	Revenue		Non- Current Assets	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	1,489	1,288	8,050	8,413
Cambodia	5,311	3,315	92,136	35,267
Others	-	-	1,158	1,176
Total	<u>6,800</u>	<u>4,603</u>	<u>101,344</u>	<u>44,856</u>

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

Please refer to item 8 above.

16. **A breakdown of sales.**

	<-----Group----->		
	2014	2013	Change
	S\$'000	S\$'000	%
1st quarter	2,865	1,033	177
2nd quarter	1,604	2,164	(26)
3rd quarter	962	349	176
4th quarter	1,369	1,057	30
	<u>6,800</u>	<u>4,603</u>	48

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

There is no dividend declared in the current and previous financial year.

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder		Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Wong Jr. Winston	36	Son of Dr. Wong Wen-Young Winston, Vice Chairman/Non Executive Director and substantial shareholder.		Regional Business Development Manager with effect from February 2009. He is responsible for identifying regional business opportunities and developing short & medium term regional business strategies.	N.A.
Ong Jia Ming	22	Son of Dato Dr. Ong Bee Huat, Chief Executive Officer, Executive Deputy Chairman and substantial shareholder.		Group General Manager with effect from February 2015. He is responsible for project management and business development.	He was promoted to Group General Manager in February 2015.

BY ORDER OF THE BOARD

HELEN CAMPOS
COMPANY SECRETARY
17 February 2015