



Financial Statement for Half Year Ended 31 March 2016

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

1(a)(i) A statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial period

	31 Mar 2016 S\$'000	31 Mar 2015 S\$'000	+ / (-)%
Revenue	8,260	11,817	(30%)
Cost of sales	(5,069)	(7,339)	(31%)
Gross profit	<u>3,191</u>	<u>4,478</u>	(29%)
Other operating income	955	597	60%
Expenses			
- Selling and distribution	(947)	(1,440)	(34%)
- Administrative	(3,695)	(4,342)	(15%)
- Finance	(744)	(704)	6%
Share of profit of associated companies	203	1,689	(88%)
Share of loss of joint venture	(50)	-	(N.M.)
(Loss)/Profit before income tax	<u>(1,087)</u>	<u>278</u>	(491%)
Income tax expenses	(71)	(131)	(46%)
(Loss)/Profit after income tax	<u>(1,158)</u>	<u>147</u>	(888%)
(Loss)/Profit attributable to:			
Equity holders of the Company	(342)	1,006	
Non-controlling interests	<u>(816)</u>	<u>(859)</u>	
	<u>(1,158)</u>	<u>147</u>	
(Loss)/Profit for the period	(1,158)	147	
Other comprehensive income /(loss), net of tax			
Currency translation differences arising from consolidation	489	(455)	
Share of other comprehensive income / (losses) of associated company	<u>2,288</u>	<u>(1,525)</u>	
	<u>1,619</u>	<u>(1,833)</u>	
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	2,107	(631)	
Non-controlling interests	<u>(488)</u>	<u>(1,202)</u>	
	<u>1,619</u>	<u>(1,833)</u>	

1(a)(ii) The accompanying notes to the financial statements form an integral part of the financial statements

	31 Mar 2016 S\$'000	31 Mar 2015 S\$'000
<i>Charging/ (crediting):</i>		
Other operating income:		
- Interest income	(18)	(50)
- Rental income	(223)	(208)
- Service income	(399)	(403)
- Foreign exchange (gain)/loss- net	(308)	83
Expenses:		
- Amortisation and depreciation	515	709
- Employee compensation (including Directors' remuneration)	2,201	2,857
- Interest on borrowings	744	704

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.

	<u>The Group</u>		<u>The Company</u>	
	31 Mar 2016	30 Sept 2015	31 Mar 2016	30 Sept 2015
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current assets</u>				
Cash and cash bank balances	7,144	13,040	1,053	4,379
Trade and other receivables	6,108	7,135	12,479	10,787
Inventories	3,933	4,184	-	-
Development properties	57,200	52,879	-	-
Total current assets	74,385	77,238	13,532	15,166
<u>Non-current assets</u>				
Club membership	9	9	-	-
Investments in associated companies	36,867	30,239	18,948	14,452
Investments in subsidiary corporations	-	-	12,959	12,959
Investments in joint venture company	1,961	-	-	-
Investment properties	789	789	789	789
Property, plant and equipment	21,306	21,441	-	-
Deferred income tax assets	46	46	-	-
Derivative financial instrument	3,317	5,163	-	-
Total non-current assets	64,295	57,687	32,696	28,200
Total assets	138,680	134,925	46,228	43,366
<u>Liabilities and shareholder's equity</u>				
<u>Current liabilities</u>				
Trade and other payables	18,330	16,631	8,926	7,631
Borrowings	7,699	2,892	-	-
Current income tax liabilities	372	413	-	-
Provisions	319	319	-	-
Total current liabilities	26,720	20,255	8,926	7,631
<u>Non-current liabilities</u>				
Borrowings	31,665	36,006	-	-
Other payables	3,005	3,005	-	-
Provisions	172	160	-	-
Total non-current liabilities	34,842	39,171	-	-
Total liabilities	61,562	59,426	8,926	7,631
Net assets	77,118	75,499	37,302	35,735
<u>Capital and reserves attributable to equity holders of the Company</u>				
Share capital	32,315	32,315	32,315	32,315
Currency translation reserves	(8,614)	(11,063)	-	-
Revaluation reserves	12,827	12,827	-	-
Retained profits	36,212	36,554	4,987	3,420
Equity attributable to equity holders of the Company	72,740	70,633	37,302	35,735
Non-controlling interests	4,378	4,866	-	-
	77,118	75,499	37,302	35,735

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

	As at 31 Mar 2016		As at 30 Sept 2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	7,699	-	2,892	-
Amount repayable after one year	31,665	-	36,006	-

The Group's borrowings are secured by certain bank deposits, land held for property development and corporate guarantees.

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

	31 Mar 2016 S\$'000	31 Mar 2015 S\$'000
Net (loss)/profit	(1,158)	147
Adjustment for:		
Income tax expense	71	131
Amortisation and depreciation	515	709
Interest income	(18)	(50)
Interest expense	744	704
Share of results of associated companies	(203)	(1,689)
Share of result of joint venture	50	-
Loss/(gain) on disposal of property, plant and equipment	11	(9)
Unrealised currency translation gain	(61)	-
Operating cash flows before working capital changes	(49)	(57)
Inventories	251	693
Trade and other receivables	1,029	(165)
Trade and other payables	(654)	(597)
Development properties	(226)	(1,871)
Cash generated from operations	351	(1,997)
Income tax paid	(113)	(303)
CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES	238	(2,300)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property, plant and equipment	(146)	(578)
Investments in associated companies	(4,136)	-
Proceeds from disposal of property, plant and equipment	-	9
Investment in joint venture	(2,012)	-
Interest received	18	50
CASH FLOWS USED IN INVESTING ACTIVITIES	(6,276)	(519)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment of borrowings	(114)	(2,498)
Proceeds from borrowings	-	6,624
Proceeds from non-controlling shareholder's borrowings	1,189	-
Movement in bills payable	(26)	(344)
Dividends paid to equity holders of the Company	-	(2,098)
Interest paid	(1,036)	(1,126)
Increase in bank deposits pledged	(77)	(178)
CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(64)	380
Net change in cash and bank balance	(6,102)	(2,439)
Cash and bank balance at the beginning of the financial period	12,295	11,543
Effects of exchange rate changes on cash and bank balance	129	43
Cash and bank balance at the end of the financial period	6,322	9,147
Represented by:		
Cash and bank balance	7,144	10,447
Less: Bank deposits pledged	(822)	(1,300)
	6,322	9,147

- 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				Total	Non-controlling interests	Total equity
	Share capital	Currency translation reserve	Revaluation reserve	Retained profits			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group							
Balance as at 1 Oct 2015	32,315	(11,063)	12,827	36,554	70,633	4,866	75,499
Total comprehensive income/(loss) for the financial period	-	2,449	-	(342)	2,107	(488)	1,619
Balance as at 31 Mar 2016	32,315	(8,614)	12,827	36,212	72,740	4,378	77,118

	Attributable to equity holders of the Company				Total	Non-controlling interests	Total equity
	Share capital	Currency translation reserve	Revaluation reserve	Retained profits			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group							
Balance as at 1 Oct 2014	32,315	(4,489)	14,020	30,869	72,715	8,020	80,735
Total comprehensive (loss)/income for the financial period	-	(1,637)	-	1,006	(631)	(1,202)	(1,833)
Dividend relating to 2014 paid	-	-	-	(2,098)	(2,098)	-	(2,098)
Balance as at 31 Mar 2015	32,315	(6,126)	14,020	29,777	69,986	6,818	76,804

	Attributable to equity holders of the Company				Total	Non-controlling interests	Total equity
	Share capital	Currency translation reserve	Revaluation reserve	Retained profits			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company							
Balance as at 1 Oct 2015	32,315	-	-	2,419	34,734	-	34,734
Total comprehensive income for the financial period	-	-	-	2,568	2,568	-	2,568
Balance as at 31 Mar 2016	32,315	-	-	4,987	37,302	-	37,302

	Attributable to equity holders of the Company				Total	Non-controlling interests	Total equity
	Share capital	Currency translation reserve	Revaluation reserve	Retained profits			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company							
Balance as at 1 Oct 2014	32,315	-	-	3,420	35,735	-	35,735
Total comprehensive income for the financial period	-	-	-	1,598	1,598	-	1,598
Dividend relating to 2014 paid	-	-	-	(2,098)	(2,098)	-	(2,098)
Balance as at 31 Mar 2015	32,315	-	-	2,920	35,235	-	35,235

- 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 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.

Nil.

- 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 of the Company was 209,826,140 as at 31 March 2016, (30 September 2015: 209,826,140).

- 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

Not applicable.

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

The figures have not been audited nor 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.

Yes. The Company and the Group have applied the same accounting policies and methods of computation as in the Group's most recently audited financial statements for the financial year ended 30 September 2015.

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 adoption of all the new and revised Singapore Financial Reporting Standards did not result in significant changes in the Group's accounting policies.

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.

The Group	<u>31 Mar 2016</u>	<u>31 Mar 2015</u>
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Amounts in cents

(Loss)/profit per ordinary share for the period reported on based on net profit attributable to shareholders:

(i) Based on the weighted average number of ordinary shares on issue	(0.16)	0.48
(ii) Based on a fully diluted basis	(0.16)	0.48

The earnings per share is calculated based on the Group's net (loss)/profit attributable to the equity holders of the Company divided by the issued share capital of the Company of 209,826,140 shares.

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

	The Group		The Company	
	31 Mar 2016	30 Sep 2015	31 Mar 2016	30 Sep 2015
<u>Amounts in cents</u>				
Net asset value (NAV) per ordinary share based on the issued share capital at the end of the period	34.67	33.35	17.78	16.79

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

Review of Performance

The Group reported revenue of S\$8.3 million in the half year ended 31 March 2016 ("HY2016") as compared to S\$11.8 million in the half year ended 31 March 2015 ("HY 2015"), a decrease of S\$3.5 million or 30%. The decrease is mainly due to disposal of a subsidiary in the last quarter of FY2015.

Consistent with the decrease in revenue, cost of sales and gross profit have also decreased by 31% and 29% respectively.

Selling and distribution and administrative expense decreased by 34% and 15% respectively, mainly due to disposal of a subsidiary in the last quarter of FY2015.

Amortisation and depreciation decreased from S\$0.7 million in HY2015 to S\$0.5 million in HY2016. The decrease is mainly due to disposal of a subsidiary in the last quarter of FY2015.

Other income increased by S\$0.4 million or 60% from S\$0.6 million in HY2015 to S\$1.0 million in HY2016. The increase is mainly due to foreign exchange gain arising from strengthening of Ringgit Malaysia against Singapore Dollar.

Share of results of associated companies decreased by S\$1.5 million or 88%, from S\$1.7 million in HY2015 to S\$0.2 million in HY2016. The decrease is mainly due to decrease in contribution from property development, trading and manufacturing businesses of the associated companies.

As a result of the above, the Group reported loss before income tax of S\$1.1 million in HY2016 as compared to profit before tax of S\$0.3 million in HY2015. After taking into account income tax expense of S\$0.1 million and non-controlling interests' loss of S\$0.8 million, the Group reported net loss attributable to equity holders of the Company of S\$0.3 million in HY2016 as compared to net profit attributable to equity holders of the Company of S\$1.0 million in HY2015.

Balance Sheet

Trade and other receivables

Trade and other receivables decreased as a result of decrease in sales.

Inventories

Inventories decreased mainly due to reduction in purchases as a result of decrease in sales.

Investment in associated companies

Investment in associated companies increased mainly due to additional investment of S\$4.1million in Fiamma Holdings Berhad, share of associated companies profit of S\$0.2 million and foreign exchange difference of S\$2.3 million.

Investment in joint venture

The Group invested S\$2.0m mainly in the form of quasi equity loan to VMD Development Sdn Bhd, a joint venture, to acquire land for industrial development.

Derivative financial instrument

Cross currency interest rate swap ("CCIRS) is transacted to hedge the Group's foreign currency borrowing. The derivative financial instrument asset/liability represents the fair value gain/loss made on the CCIRS.

Trade and other payables

Trade and other payables increased mainly due to increase in funding from a minority shareholder.

Review of cashflow

The Group reported that a net decrease in cash and cash equivalents is mainly due to additional investment in an associated company and joint venture and repayment of loan principal and interests.

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 forecast or prospect statement disclosed to the shareholders in the previous announcement.

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.

The convergence of domestic factors such as low economic growth, rising business costs, shift in consumer buying platform and government's measure to curb property speculation as well as global headwinds for example, a slowdown in the Chinese and US markets have impacted SMEs like us in Singapore.

In light of the challenging economic landscape, the trading segment performances for the next reporting period remain challenging. However, the Group will remain focused in bringing in more product range, increasing its product brands and cautiously explore new markets and new selling platform.

As there is a mixed market sentiment on property in Iskandar amid the launch of Forest City, the Group remains cautious in launching its product at an appropriate time to the right target market.

11 Dividend**(a) Current Financial Period Reported On**

No dividend was declared for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared for the corresponding period of the immediately Preceding Financial Year.

(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 was declared / 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, please make a statement to that effect.

The Group has not obtained any IPT mandate during the period.

14. Confirmation Pursuant to the Rule 705(5) Of the SGX-ST Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the board directors which may render the interim financial results to be false or misleading, in any material aspect.

15. Confirmation Pursuant to the Rule 720(1) Of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set up in Appendix 7.7) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

On Behalf of the board of directors

Lim Soo Chong
Chief Executive Officer

Hu Zhong Huai
Director

11 May 2016