

Unaudited Q3 Financial Results Announcement for the Period Ended 30 September 2018

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.

	Group					
	Quarter ended 30 September 2018			9 months ended 30 September 2018		
	2018	2017	Change	2018	2017	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	9,878	4,618	114%	38,241	11,860	222%
Cost of sales	(4,657)	(2,350)	98%	(17,843)	(5,802)	208%
Gross profit	5,221	2,268	130%	20,398	6,058	237%
Other income	426	(4,938)	N.M.	1,550	332	367%
Distribution and selling expenses	(573)	(223)	157%	(3,287)	(762)	331%
Administrative expenses	(3,201)	(2,694)	19%	(9,756)	(5,691)	71%
Other expenses	(47)	(86)	-45%	(128)	(99)	29%
Finance costs	(79)	(185)	-57%	(351)	(240)	46%
Profit (loss) before Income tax	1,747	(5,858)	N.M.	8,426	(402)	N.M.
Income tax (expense) benefit	(272)	4,999	N.M.	(446)	5,040	N.M.
Profit (loss) for the period {note (i)}	1,475	(859)	N.M.	7,980	4,638	72%
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	328	(3,085)	N.M.	1,695	(7,179)	N.M.
Other comprehensive income (loss) for the period, net of tax	328	(3,085)	N.M.	1,695	(7,179)	N.M.
Total comprehensive income (loss) for the period	1,803	(3,944)	N.M.	9,675	(2,541)	N.M.
Profit attributable to:						
Owners of the company	1,475	(859)	N.M.	7,980	4,620	73%
Non-controlling interests	-	-	N.M.	-	18	N.M.
	1,475	(859)	N.M.	7,980	4,638	72%
Total comprehensive income (loss) attributable to:						
Owners of the company	1,803	(3,944)	-146%	9,675	(2,524)	N.M.
Non-controlling interests	-	-	N.M.	-	(17)	N.M.
	1,803	(3,944)	-146%	9,675	(2,541)	N.M.

Note:

N.M. - Not meaningful

Note (i) - Profit (loss) for the period

This is determined after crediting (charging) the followings:

	Group		Group	
	Quarter ended 30 September		9 months ended 30 September	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
(Loss) Gain on recognition of deferred tax asset	-	(41)	-	2,786
Gain on disposal of property, plant and equipment	8	3	12	6
Interest income	12	8	56	39
Depreciation of property, plant and equipment	(990)	(1,037)	(2,709)	(2,283)

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 ----->		
	30-09-18	31-12-17	Change	30-09-18	31-12-17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	(Restated)*					
Current assets						
Cash and bank balances	11,456	2,021	467%	194	639	-70%
Trade receivables	7,978	559	1327%	-	-	N.M.
Other receivables and deposits	3,330	722	361%	173	121	43%
Prepayments	785	741	6%	221	22	905%
Amount due from subsidiaries	-	-	N.M.	28,252	30,422	-7%
Investment securities	1	2	-50%	-	-	N.M.
Inventories	160	496	-68%	-	-	N.M.
Biological assets	8,493	7,350	16%	-	-	N.M.
Development properties	15,163	15,098	-	-	-	N.M.
Assets classified as held for sale	25,962	2,807	825%	-	-	N.M.
Total current assets	<u>73,328</u>	<u>29,796</u>	146%	<u>28,840</u>	<u>31,204</u>	-8%
Non-current assets						
Other receivables and deposits	41	40	3%	-	-	N.M.
Property, plant and equipment	94,540	94,908	-	327	171	91%
Investment properties	12,516	37,880	-67%	618	617	-
Intangible assets	7	11	-36%	-	-	N.M.
Investment in subsidiaries	-	-	N.M.	77,160	77,160	-
Total non-current assets	<u>107,104</u>	<u>132,839</u>	-19%	<u>78,105</u>	<u>77,948</u>	N.M.
Total assets	<u>180,432</u>	<u>162,635</u>	11%	<u>106,945</u>	<u>109,152</u>	-2%
Liabilities and equity						
Current liabilities						
Trade payables	6,203	7,336	-15%	-	-	N.M.
Other payables and accruals	15,926	2,777	473%	292	462	-37%
Amount due to subsidiaries	-	-	N.M.	12,175	11,846	3%
Income tax payable	-	171	-100%	-	-	N.M.
Bank loans and overdraft	683	3,301	-79%	-	-	N.M.
Finance lease liabilities	104	122	-15%	26	45	-43%
Total current liabilities	<u>22,916</u>	<u>13,707</u>	67%	<u>12,493</u>	<u>12,353</u>	1%
Non-current liabilities						
Bank loans	1,415	1,931	-27%	-	-	N.M.
Finance lease liabilities	965	903	7%	100	-	100%
Convertible bonds	998	1,996	-50%	998	1,996	-50%
Deferred tax liabilities	16,804	16,437	2%	-	-	N.M.
Total non-current liabilities	<u>20,182</u>	<u>21,267</u>	-5%	<u>1,098</u>	<u>1,996</u>	-45%
Capital, reserves and non-controlling interests						
Share capital	94,602	94,602	-	94,602	94,602	-
Retained earnings (Accumulated losses)	36,056	28,076	28%	(793)	656	-221%
Capital reserve	416	418	-	(455)	(455)	-
Asset revaluation reserve	2,775	2,775	-	-	-	N.M.
Foreign currency translation reserve	3,485	1,790	95%	-	-	N.M.
Equity attributable to owners of the company	<u>137,334</u>	<u>127,661</u>	8%	<u>93,354</u>	<u>94,803</u>	-2%
Non-controlling interests	-	-	N.M.	-	-	N.M.
Total equity	<u>137,334</u>	<u>127,661</u>	8%	<u>93,354</u>	<u>94,803</u>	-2%
Total liabilities and equity	<u>180,432</u>	<u>162,635</u>	11%	<u>106,945</u>	<u>109,152</u>	-2%

* Certain restatements have been made to the prior year's statement of financial position.

Note:

N.M. : Not meaningful

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

	As at 30.09.2018		As at 31.12.2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	787	-	3,423	-
Amount repayable after one year	3,378	-	4,830	-

Details of any collaterals

As at 30 September 2018, the Group's borrowings were secured by way of the followings: -

- Corporate guarantee, property and project proceeds in respect of the Company's construction projects;
- Fixed and floating charge on the leasehold land of a subsidiary.

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

	Quarter ended		9 months ended	
	30 September		30 September	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit (loss) before tax	1,747	(5,858)	8,426	(402)
Adjustments for:				
Interest expense	79	16	351	54
Depreciation of property, plant and equipment	990	1,037	2,709	2,283
Amortisation of intangible assets	1	2	4	4
Gain on disposal of property, plant and equipment, net	(8)	(3)	(12)	(6)
Bad debts written off	-	63	-	63
Loss on disposal of assets classified as held for sale	-	-	13	-
Foreign exchange adjustments	359	(1,773)	(789)	(3,400)
Gain on recognition of deferred tax asset	-	41	-	(2,786)
Interest income	(12)	(8)	(56)	(39)
Operating cash flows before movement in working capital	3,156	(6,483)	10,646	(4,229)
Trade and other receivables	(2,476)	(524)	(10,073)	5,606
Inventories and biological assets	(938)	1,814	(641)	(6,223)
Development properties	428	(1,628)	(65)	(285)
Amounts due from non-controlling shareholders	-	428	-	444
Trade and other payables	(1,957)	7,458	558	536
Cash (used in) from operation	(1,787)	1,065	425	(4,151)
Interest paid	(79)	(16)	(351)	(54)
Income tax paid	(298)	-	(643)	-
Interest received	12	8	56	39
Net cash (used in) from operating activities	(2,152)	1,057	(513)	(4,166)
Investing activities				
Purchase of intangible assets	-	-	-	(17)
Purchase of property, plant and equipment	(30)	(1,699)	(447)	(1,949)
Proceeds from sale of property, plant and equipment	-	161	315	221
Proceeds from disposal of assets classified as held for sale	11,458	-	14,304	-
Net cash from (used in) investing activities	11,428	(1,538)	14,172	(1,745)
Financing activities				
Repayment of bank loans	(2,779)	(428)	(3,134)	(1,357)
Repayment for (proceeds from) finance leases	(59)	221	(109)	164
Repayment for convertible loan notes redeemed	(1,000)	-	(1,000)	-
Proceeds from issuance of convertible loan notes	-	1,000	-	1,000
Proceeds from overdraft	-	189	-	1,252
Net cash (used in) from financing activities	(3,838)	982	(4,243)	1,059
Net increase (decrease) in cash and cash equivalents	5,438	501	9,416	(4,852)
Effect of exchange rate changes on balances held in foreign currencies	2	1,316	19	(119)
Cash and cash equivalents at beginning of period	6,016	(41)	2,021	6,747
Cash and cash equivalents at end of period	11,456	1,776	11,456	1,776
Cash and cash equivalents comprise:				
			9 months ended	
			30 September	
			2018	2017
			S\$'000	S\$'000
Cash at bank and on hand			10,691	1,014
Short-term fixed deposits with financial institutions			765	762
			11,456	1,776

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.

	<----- Attributable to owners of the company ----->							Total equity
	Share capital	Retained earnings	Capital reserve	Asset revaluation reserve	Currency translation reserve	Total	Non-controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
Balance at 1 January 2017	94,602	(11,825)	414	40,521	7,087	130,799	(23)	130,776
Total comprehensive income (loss) for the period								
Profit for the period	-	4,620	-	-	-	4,620	18	4,638
Other comprehensive loss for the period	-	-	-	-	(7,178)	(7,178)	(1)	(7,179)
Total	-	4,620	-	-	(7,178)	(2,558)	17	(2,541)
Balance at 30 September 2017	94,602	(7,205)	414		(91)	128,241	(6)	128,235
Group								
Balance at 1 January 2018 (As previously reported)	94,602	(9,775)	418	40,631	1,790	127,666	-	127,666
Restatements	-	37,851	-	(37,856)	-	(5)	-	(5)
Balance at 1 January 2018 (Restated)	94,602	28,076	418	2,775	1,790	127,661	-	127,661
Total comprehensive income for the period								
Profit for the period	-	7,980	-	-	-	7,980	-	7,980
Other comprehensive income for the period	-	-	-	-	1,695	1,695	-	1,695
Total	-	7,980	-	-	1,695	9,675	-	9,675
Transactions with owners, recognised directly in equity								
Derecognition of equity component of convertible loan notes redeemed during the period	-	-	(2)	-	-	(2)	-	(2)
	-	-	(2)	-	-	(2)	-	(2)
Balance at 30 September 2018	94,602	36,056	416	2,775	3,485	137,334	-	137,334
	Share capital	Retained earnings	Capital reserves	Total equity				
	S\$'000	S\$'000	S\$'000	S\$'000				
Company								
Balance at 1 January 2017	94,602	(1,591)	(459)	92,552				
Total comprehensive income for the period								
Loss for the period	-	(193)	-	(193)				
	-	(193)	-	(193)				
Balance at 30 September 2017	94,602	(1,784)	(459)	92,359				
Company								
Balance at 1 January 2018	94,602	656	(455)	94,803				
Total comprehensive loss for the period								
Loss for the period	-	(1,449)	-	(1,449)				
	-	(1,449)	-	(1,449)				
Balance at 30 September 2018	94,602	(793)	(455)	93,354				

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.

There were no shares issued for the period under review.

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

The total number of issued shares excluding treasury shares was 221,933,192 and 6,658,068,582 as at 30 September 2018 and 31 December 2017.

Shares consolidation took place on 15 May 2018.

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 or reviewed by the Company's auditors.

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 Note 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 31 December 2017.

5. If there were 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.

Our Group has adopted all the new Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related interpretations to SFRS(I) that are relevant to our Group and effective for the financial period beginning on or after 1 January 2018. The adoption of these framework has no material impact to the results and financial position of the Group.

6. Earnings per ordinary share of the company 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 September		9 months ended 30 September	
2018 Cents	2017 Cents	2018 Cents	2017 Cents
Earnings per ordinary share attributable to owners of the parent for :			
- Basic	0.665	(0.013)	3.596
- Diluted	0.665	(0.013)	3.596
		0.069	0.069

Note:

The basic and diluted earnings per ordinary share were calculated based on the number of ordinary shares in issue of 221,933,192 as at 30 September 2018 and 6,658,068,582 as at 30 September 2017.

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

	Group		Company	
	30-9-18 Cents	31-12-17 Cents	30-9-18 Cents	31-12-17 Cents
Net asset value per ordinary share based on issued share capital	61.881	1.917	42.064	1.424

Note:

Net asset value per ordinary share was calculated based on the number of ordinary shares in issue of 221,933,192 as at 30 September 2018 and 6,658,068,582 as at 31 December 2017.

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 period reported on.

Review statement of comprehensive income

Revenue and Gross profit

Revenue was \$38.2 million, an increase of 222%, driven by stronger property sales at the Group's signature D'Seaview project development in Sihanoukville, Cambodia. The property segment accounted for 91% of the Group's revenue in 9M FY2018.

Gross profit was \$20 million, an increase of \$14 million, due mainly to increased revenue from the Property business segment.

Review statement of comprehensive income (continued)

Other income

Other income was \$1.6 million, an increase of \$1.3 million, largely driven by the impact of higher foreign exchange gain.

Distribution and selling expenses

Distribution and selling expenses were \$3.3 million, an increase of \$2.5 million. The increase was driven by sales and marketing activities for the property development and estate agencies commission paid out.

Administrative expenses

Administrative expenses were \$9.8 million, an increase of \$4.1 million. The increase was mainly driven by depreciation, professional fees paid out and expenses related to the upkeep of farm machinery.

Net profit

Although the Group achieved a higher revenue and gross profit in 9M 2018 year-on-year, these favorable variances were partially offset by higher administrative, distribution and selling expenses resulting in a net profit of \$8 million.

Review of financial position

Trade receivables

Trade receivables was \$8 million, an increase of \$7.4 million, due primarily to increased billings of our D'Seaview mixed development in Cambodia.

Other receivables and deposits

Other receivables and deposits were \$3.3 million, an increase of \$2.6 million, due primary to VAT receivable in Cambodia from payment to contractors for D'Seaview development.

Assets classified as held for sale and investment properties

Assets classified as held for sale was \$26 million, an increase of \$23 million. This \$26 million was a result of our wholly owned Cambodia subsidiary having entered into a Sales and Purchase Agreement ("SPA") for the sale of one of its plot of land located in Preah Sihanouk Province, Cambodia.

This plot of land was previously classified as investment property, resulting in a corresponding reduction of \$26 million.

Trade payables

Trade payables was \$6 million, a decrease of \$1.1 million, due mainly to reduction in progressive claims from contractors and accruals for unbilled contractor progressive claims.

Other payables and accruals

Other payables and accruals were \$16 million, an increase of \$13.2 million, due to the deposit collected upon signing of the SPA.

Bank loans, overdraft and finance lease liabilities

Total bank loans and borrowings were \$3.2 million, a decreased of \$3.1 million, due mainly to repayment of bank loan.

Review of cash flow statement

Net cash used in operating activities was \$0.5 million for 9M 2018, due mainly to the increase in trade and other receivables and income tax paid.

Net cash generated from investing activities was \$14 million for 9M 2018, due mainly to deposit collected upon signing of the SPA and a reduction in property, plant and equipment purchased.

Net cash used in financing activities was \$4.2 million, mainly due to repayment of bank loans and convertible loan notes redeemed.

Overall, cash and cash equivalents of the Group stood at \$11.5 million as at end 9M 2018.

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

There is no significant variance between the previous disclosures and the actual results.

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

- For 2018, we have focused on the cultivation of fresh cassava in our Agriculture Farm located in Kampong Speu Province, Kingdom of Cambodia. Upon maturity in 2019, the fresh cassava will either be sold or processed into native tapioca starch on site.
- We will continue to seek joint cooperation partners and investors that are willing to acquire and expand into Agriculture Business in Cambodia.

Property Division

- The Group expects positive sales response for the balance units in the D'Seaview mixed development project in Sihanoukville, Cambodia.
- Our team have successfully held the roof topping-up ceremony for the D'Seaview project on 27th June 2018 attended by the Governor of Sihanoukville, VIPs, distinguished guests from Singapore and Cambodia as well as the press and media people.
- We look forward to completing the commercial segment by the end of 2018 and the completion of residential segment by 1st Half 2019.

11. Dividend

a. Current Financial Period Reported On

Any dividend declared for the current financial period 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 interim dividend has been proposed.

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 Group does not have a general mandate from shareholders for interested person transactions.

14. Confirmation of undertakings from directors and executive officers.

The company has procured undertaking from all its directors and executive officers under Rule 720(1) of the listing manual.

15. Negative assurance on interim financial results under Rule 705(5) of the listing manual.

The Board of Directors of the Company confirm that, to the best of our knowledge, nothing has come to the attention which may render the interim financial results to be false or misleading, in any material aspect.

BY ORDER OF THE BOARD

Dato' Dr Ong Bee Huat
Executive Deputy Chairman and Group Chief Executive Officer
5 November 2018