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**Second Quarter Financial Statements Announcement for the Period Ended 30-Sep-2017**

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<b>Table of Contents</b>	<b>Page No:</b>
1 (a) Consolidated Statement of Comprehensive Income	1
1 (b) (i) Statements of Financial Position	2
1 (b) (ii) Note on Borrowings and Debt Securities	3
1 (c) Consolidated Statement of Cash Flows	4
1 (d) Statements of Changes In Shareholders' Equity	5
1 (e) Notes to Financial Statements	6
2, 3 Audit / Review	6
4, 5 Accounting Policies	6
6 Earnings Per Share	7
7 Net Asset Value	7
8 Review of Performance	8 - 9
9 Variance From Prospect Statement	10
10 Commentary of the Competitive Conditions	10
11, 12 Dividend	10
13 Interested Person Transactions	11
14 Confirmation of undertakings from all its directors and executive officers	11
15 Confirmation By The Board	12

**No.1(a) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period.**

	Group 2nd Quarter Ended			Group Half Year		
	30-Sep-17	30-Sep-16	Change	30-Sep-17	30-Sep-16	Change
	S\$ '000	S\$ '000	%	\$ '000	\$ '000	%
<b>Continuing operations</b>						
Revenue	9,922	7,989	24.2%	16,087	12,329	30.5%
Cost of sales	(9,605)	(7,899)	21.6%	(15,284)	(11,856)	28.9%
<b>Gross profit</b>	<b>317</b>	<b>90</b>	252.2%	<b>803</b>	<b>473</b>	69.8%
Other income *	683	36	1797.2%	771	163	373.0%
Selling & Distribution costs	(577)	(497)	16.1%	(918)	(897)	2.3%
Administrative expenses	(1,315)	(546)	140.8%	(2,013)	(1,141)	76.4%
Other expenses	(189)	(87)	117.2%	(220)	(111)	98.2%
Finance costs	(1)	-	n.m	(2)	(1)	100.0%
<b>Loss before income tax</b>	<b>(1,082)</b>	<b>(1,004)</b>	n.m	<b>(1,579)</b>	<b>(1,514)</b>	n.m
Income tax refund	-	-		-	-	
<b>Loss from continuing operations for the period, net of income tax</b>	<b>(1,082)</b>	<b>(1,004)</b>	7.8%	<b>(1,579)</b>	<b>(1,514)</b>	4.3%
<b>Profit / (Loss) from discontinued operations for the period, net of income tax</b>	<b>665</b>	<b>(577)</b>	n.m	<b>665</b>	<b>(984)</b>	n.m
<b>Total loss for the period</b>	<b>(417)</b>	<b>(1,581)</b>	n.m	<b>(914)</b>	<b>(2,498)</b>	n.m
<b>Other comprehensive income :</b>						
<b>Item that will not be classified to profit or loss</b>						
- General Reserve	-	-		(82)	-	
<b>Reclassification to profit or loss on disposal of subsidiaries</b>						
- Foreign Exchange Translation Reserve	(665)	-		(660)	-	
<b>Item that may be reclassified subsequently to profit or loss</b>						
Exchange difference on translating foreign operations	18	99	-81.8%	44	8	450.0%
<b>Total comprehensive loss for the period</b>	<b>(1,064)</b>	<b>(1,482)</b>	n.m	<b>(1,612)</b>	<b>(2,490)</b>	n.m
<b>EBITDA</b>	<b>(736)</b>	<b>(1,533)</b>	n.m	<b>(1,041)</b>	<b>(2,411)</b>	n.m
<b>Profit /(loss) for the period included the following</b>						
Depreciation of property, plant & equipment	(17)	(20)		(33)	(81)	
Amortisation of intangible assets	(88)	-		(175)	-	
Interest expenses	(1)	(29)		(2)	(57)	
Trade receivable write off	(35)	-		-	-	
* Income tax refund from discontinued operations	337	1		337	51	
<b>** Other income included:</b>						
- Government grant	-	21		2	77	
- Dividend income	-	9		-	70	
- Interest income	9	-		9	4	
- Write back due to struck off of subsidiary	3	-		3	-	
- Rebate	-	-		3	-	
- Franchise income	6	6		12	12	
- Reversal of General Reserve	-	-		82	-	
- Reversal of foreign translation reserve	665	-		660	-	
	<b>683</b>	<b>36</b>		<b>771</b>	<b>163</b>	

n.m-mean "not meaningful"

## No.1(b)(i) Statements of financial position as at :

	Group		Company	
	As at	As at	As at	As at
	30-Sep-17	31-Mar-17	30-Sep-17	31-Mar-17
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Subsidiaries	-	-	17,505	13,823
Other Investments	753	-	-	-
Property, plant and equipment	145	167	-	-
Intangible assets	2,974	3,000	124	-
Total non-current assets	3,872	3,167	17,629	13,823
<b>Current assets</b>				
Cash and cash equivalents	16,676	557	14,868	109
Trade receivables	10,088	5,032	-	-
Other receivables	42	5,502	27	5,240
Prepayments	927	404	37	20
Inventories	676	177	-	-
Total current assets	28,409	11,672	14,932	5,369
<b>Total assets</b>	32,281	14,839	32,561	19,192
<b>Equity attributable to equity holders of the Company</b>				
Share capital	139,508	124,508	139,508	124,508
Capital reserve	-	944	-	-
Capital reduction reserve	18,384	18,384	18,384	18,384
Foreign currency translation reserve	1	617	-	-
General reserve	150	232	-	-
Accumulated losses	(137,275)	(137,305)	(130,075)	(128,457)
<b>Total equity</b>	20,768	7,380	27,817	14,435
<b>Non-current liability :</b>				
Finance leases obligation	65	65	-	-
<b>Current liabilities</b>				
Trade payables	7,207	1,908	-	-
Other payables	4,234	5,471	2,061	1,997
Amount owing to subsidiary	-	-	2,683	2,760
Finance leases obligation	7	15	-	-
Total current liabilities	11,448	7,394	4,744	4,757
<b>Total liabilities</b>	11,513	7,459	4,744	4,757
<b>Total liabilities and equity</b>	32,281	14,839	32,561	19,192

**No.1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

	(\$ '000)			
	As At 30-Sep-17		As At 31-Mar-17	
	Secured	Unsecured	Secured	Unsecured
Bank loans	-	-	-	-

**Details of any collateral**

Nil.

**No.1(c) A consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial.**

	<b>Group</b>		<b>Group</b>	
	<b>2nd Quarter Ended</b>		<b>Half Year</b>	
	<b>30-Sep-17</b>	<b>30-Sep-16</b>	<b>30-Sep-17</b>	<b>30-Sep-16</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>				
Loss before income tax from continuing operations	(1,082)	(1,004)	(1,579)	(1,514)
Profit/(Loss) from discontinued operations before tax	328	(577)	328	(1,034)
Adjustments for:				
Interest expense	1	29	2	57
Interest income	(9)	-	(9)	(2)
Dividend income	-	(9)	-	(70)
Depreciation of property, plant and equipment	17	20	33	81
Amortisation of intangible asset	88	-	175	-
Gain on disposal of subsidiaries	(665)	-	(742)	-
Trade receivables write off	35	-	35	-
Operating loss before working capital changes	(1,287)	(1,541)	(1,757)	(2,482)
Change in working capital:				
Trade and other receivables	(4,787)	(1,962)	(5,954)	(3,431)
Inventories	(616)	43	(499)	(196)
Trade and other payables	3,844	2,114	4,062	2,394
Cash generated (used in)/from operations	(2,846)	(1,346)	(4,148)	(3,715)
Income tax refund	337	1	337	44
<b>Net cash generated (used in)/from operating activities</b>	<b>(2,509)</b>	<b>(1,345)</b>	<b>(3,811)</b>	<b>(3,671)</b>
<b>Investing activities</b>				
Interest received	9	-	9	2
Dividend received	-	9	-	70
Purchase of property, plant and equipment	-	(1)	-	(20)
Increase in investment - others	-	-	-	-
Proceeds from disposal subsidiaries	2,299	-	4,897	-
Proceeds from disposal of held-for-trading financial asset	-	49	-	52
<b>Net cash generated from/(used in) investing activities</b>	<b>2,308</b>	<b>57</b>	<b>4,906</b>	<b>104</b>
<b>Financing activities</b>				
Interest paid	(1)	(29)	(2)	(57)
Repayment of finance lease	(4)	(3)	(8)	(6)
Proceed from bank loan borrowings	-	-	-	2,031
Repayment of bank loan borrowings	-	-	-	(115)
Proceeds from issue of placement shares	15,000	-	15,000	-
<b>Cash generated from/(used in) financing activities</b>	<b>14,995</b>	<b>(32)</b>	<b>14,990</b>	<b>1,853</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>14,794</b>	<b>(1,320)</b>	<b>16,085</b>	<b>(1,714)</b>
Cash and cash equivalents at beginning of the period	1,877	4,850	557	5,230
Effect of exchange rate fluctuations on cash and cash equivalents	5	89	34	103
<b>Cash and cash equivalents at end of of the period</b>	<b>16,676</b>	<b>3,619</b>	<b>16,676</b>	<b>3,619</b>

**No. 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 period.**

**GROUP**

**Bal at 01/04/2017**

Gain for the period

Other comprehensive loss

Reclassification on disposal of subsidiaries

Currency translation difference arising from consolidation

Total comprehensive loss for the period

Reclassification on disposal of subsidiaries

**Bal at 30/06/2017**

Loss for the period

Other comprehensive loss

Reclassification on disposal of subsidiaries

Currency translation difference arising from consolidation

Total comprehensive loss for the period

Contributions by owners

Issuance of shares

Total contributions by owners for the period

**Bal at 30/09/2017**

**COMPANY**

**Bal at 01/04/2017**

Total comprehensive loss for the period

**Bal at 30/06/2017**

Total comprehensive loss for the period

Contributions by owners

Issuance of shares

Total contributions by owners for the period

**Bal at 30/09/2016**

	Share capital	Capital reserve	Capital reduction reserve	Foreign currency translation reserve	Revaluation reserve	General reserve	Accu- mulated (losses)	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Bal at 01/04/2017</b>	<b>124,508</b>	<b>944</b>	<b>18,384</b>	<b>617</b>	-	<b>232</b>	<b>(137,305)</b>	<b>7,380</b>
Gain for the period	-	-	-	-	-	-	(497)	(497)
<u>Other comprehensive loss</u>	-	-	-	5	-	(82)	-	(77)
Reclassification on disposal of subsidiaries	-	-	-	26	-	-	-	26
Total comprehensive loss for the period	-	-	-	<b>31</b>	-	<b>(82)</b>	<b>(497)</b>	<b>(548)</b>
Reclassification on disposal of subsidiaries	-	(944)	-	-	-	-	944	-
<b>Bal at 30/06/2017</b>	<b>124,508</b>	-	<b>18,384</b>	<b>648</b>	-	<b>150</b>	<b>(136,858)</b>	<b>6,832</b>
Loss for the period	-	-	-	-	-	-	(417)	(417)
<u>Other comprehensive loss</u>	-	-	-	(665)	-	-	-	(665)
Reclassification on disposal of subsidiaries	-	-	-	18	-	-	-	18
Total comprehensive loss for the period	-	-	-	<b>(647)</b>	-	-	<b>(417)</b>	<b>(1,064)</b>
<u>Contributions by owners</u>								
Issuance of shares	15,000	-	-	-	-	-	-	<b>15,000</b>
Total contributions by owners for the period	15,000	-	-	-	-	-	-	<b>15,000</b>
<b>Bal at 30/09/2017</b>	<b>139,508</b>	-	<b>18,384</b>	<b>1</b>	-	<b>150</b>	<b>(137,275)</b>	<b>20,768</b>

**GROUP**

**Bal at 01/04/2016**

Loss for the period

Other comprehensive loss

Currency translation difference arising from consolidation

Total comprehensive loss for the period

**Bal at 30/06/2016**

Loss for the period

Other comprehensive loss

Currency translation difference arising from consolidation

Total comprehensive loss for the period

**Bal at 30/09/2016**

**COMPANY**

**Bal at 01/04/2016**

Total comprehensive loss for the period

**Bal at 30/06/2016**

Total comprehensive income for the period

**Bal at 30/09/2016**

	Share capital	Capital reserve	Capital reduction reserve	Foreign currency translation reserve	Revaluation reserve	General reserve	Accu- mulated (losses)	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Bal at 01/04/2016</b>	<b>124,508</b>	<b>944</b>	<b>18,384</b>	<b>2,263</b>	<b>2,510</b>	<b>2,201</b>	<b>(141,424)</b>	<b>9,386</b>
Loss for the period	-	-	-	-	-	-	(917)	(917)
<u>Other comprehensive loss</u>	-	-	-	(91)	-	-	-	(91)
Currency translation difference arising from consolidation	-	-	-	(91)	-	-	(917)	(1,008)
Total comprehensive loss for the period	-	-	-	<b>(91)</b>	-	-	<b>(917)</b>	<b>(1,008)</b>
<b>Bal at 30/06/2016</b>	<b>124,508</b>	<b>944</b>	<b>18,384</b>	<b>2,172</b>	<b>2,510</b>	<b>2,201</b>	<b>(142,341)</b>	<b>8,378</b>
Loss for the period	-	-	-	-	-	-	(1,581)	(1,581)
<u>Other comprehensive loss</u>	-	-	-	99	-	-	-	99
Currency translation difference arising from consolidation	-	-	-	99	-	-	(1,581)	(1,482)
Total comprehensive loss for the period	-	-	-	<b>99</b>	-	-	<b>(1,581)</b>	<b>(1,482)</b>
<b>Bal at 30/09/2016</b>	<b>124,508</b>	<b>944</b>	<b>18,384</b>	<b>2,271</b>	<b>2,510</b>	<b>2,201</b>	<b>(143,922)</b>	<b>6,896</b>

**No. 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period report on and as at end of the corresponding period of the immediately preceding financial period.**

As at 31 March 2017, the total number of ordinary shares issued was 318,784,382.

On 5 July 2017, there were issuance of 333,333,333 placement shares at \$0.045 per shares , 67,607,078 of adjustment shares, and 166,666,667 unlisted warrants at \$0.054 per share to Yiguo General Food Pte. Ltd, a wholly owned subsidiary of Shanghai Yiguo E-commerce Co., Ltd.

As at 30 September 2017, the total number of ordinary shares issued was 719,724,793.

**Note 1 Net assets subject to bank collaterals and guarantees, and contingent liabilities**

Nil.

**No.2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or and equivalent standard).**

The financial statements on the consolidated results for the quarter ended 30 September 2017 have not been audited nor reviewed by the Company's auditors.

**No.3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**No. 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 Group has consistently applied the same accounting policies and methods of computation in the current quarter and comparative figures.

**No. 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 has adopted the new or revised Financial Reporting Standards ("FRS") which are relevant to the Group with effect from 1 April 2017. The adoption of the new/revised FRS has no significant impact on the Group's accounting policy and financial statements.

**No.6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends.**

	<b>Group</b>		<b>Group</b>	
	<b>2nd Quarter Ended</b>		<b>Half Year</b>	
	<b>(Continuing operation)</b>		<b>(Continuing operation)</b>	
	<b>30-Sep-17</b>	<b>30-Sep-16</b>	<b>30-Sep-17</b>	<b>30-Sep-16</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
Loss attributable to shareholders	(1,082)	(1,004)	(1,579)	(1,514)
Loss used to determine diluted earnings per share	(1,082)	(1,004)	(1,579)	(1,514)
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	702,293	318,784	511,586	318,784
Weighted average number of ordinary shares applicable to diluted earnings per share ('000)	702,293 #	318,784	511,586 #	318,784
Loss per ordinary share, in cents :				
- basic	(0.1541)	(0.3149)	(0.3086)	(0.4749)
- fully diluted	(0.1541) #	(0.3149)	(0.3086) #	(0.4749)

# The unlisted warrants of 166,666,667 to Yiguo amounting to \$9 million as at 30 September 2017 which could be converted into 166,666,667 shares of the Company, were not included in the computation of diluted earnings per share because they are antidilutive.

**No.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 period.**

	<b>As at 30-Sep-17 cents</b>	<b>As at 31-Mar-17 cents</b>
Group	2.89	2.32
Company	3.86	4.53
No of issued shares ('000)	719,725	318,784

The calculation of net asset value per ordinary share is based on the number of ordinary shares of the Company as at 30 September 2017 and 31 March 2017 respectively.



**No. 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 the group for the current financial period affected the turnover, costs, and earnings of 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.**

**Quarter ending 30 September 2017 ("2Q17/18") vs. Quarter ending 30 September 2016 ("2Q16/17")**

- 1 The Group revenue increased by 24.2% to \$9.9 million in 2Q17/18 compared to \$8.0 million in 2Q16/17. This was mainly due to the increase in sales to Shanghai YiGuo E-Commerce Co. Ltd ("Yiguo") (58.0% of Group revenue in 2Q17/18 vs 2% in 2Q16/17).
- 2 The Group gross profit increase to \$317,000 (margin 3.2%) in 2Q17/18 compared to \$90,000 (margin 1.1%) in 2Q16/17. The lower margin in 2Q16/17 was mainly due to the return of frozen durian in September 2016.
- 3 The increase in other income was mainly due to the reversal of foreign currencies translation reserve of \$665,000 arising from the completion of deregistering United Fruit Company Limited in Hongkong, a wholly owned subsidiary of the Company in September 2017.
- 4 The amortisation of \$88,000 in 2Q17/18 was due to intangible assets acquired in March 2017 and ERP system that was capitalised in April 2017.
- 5 The selling & distribution expenses were \$577,000 in 2Q17/18 compared to \$497,000 in 2Q16/17. This was mainly due to higher marketing expense in the form of product sponsorship and exhibition for Asia Fruit Logistic 2017 in Hong Kong.
- 6 The administrative expenses were \$1,315,000 in 2Q17/18 compared to \$546,000 in 2Q16/17. This was mainly due to a) ERP system licensing fee and consultant fee of \$228,000; c) Staffs related expenses amounting to \$190,000 arising from additional headcounts and recruitment expenses in both Singapore and China; d) amortisation of intangible assets amounting to \$88,000; e) one-off expenses amounting to \$191,000 as a result of professional fees and printing cost incurred in disposal of subsidiaries, investment in Harvest Season Pte Ltd and placement of new shares; and f) other one-off expenses of \$70k.
- 7 Other expenses were \$189,000 in 2Q17/18 compared to \$87,000 in 2Q16/17. This was mainly due to the higher foreign exchange loss.
- 8 Loss from continuing operations for the period: -  
The Group loss from continuing operations before tax was \$1,082,000 in 2Q17/18 compared to \$1,004,000 in 2Q16/17.
- 9 Profit from discontinued operations for the period: -  
Discontinued operations refer to dehydrated garlic and onion business, operated by wholly owned subsidiaries - UGC 2003, Inc("UGC"), in USA, and United Argo Produce Pte. Ltd("UAP") in Singapore, Taian FHTK Foodstuffs Co. Ltd("New Taian"), and Tai An Fook Huat Tong Kee Foodstuffs Co. Ltd ("Old Taian") in China. The disposal of Old Taian, New taian and UAP had been completed in June 2017. UGC is in the process of being liquidated.  
Profit from discontinued operation of \$665,000 in 2Q17/18 compared to a loss of \$577,000 in 2Q16/17. The profit was due to the reversal of historical adjustment pertaining to value of inventory of \$388,000 and tax refund of \$337,000 by UGC.
- 10 The total loss after tax for the Group was \$417,000 in 2Q17/18 compared to \$1,581,000 in 2Q16/17.
- 11 The Group EBITDA was negative \$736,000 in 2Q17/18 compared to negative \$1,533,000 in 2Q16/17.
- 12 Operating cash flow  
The Group net cash outflow from operating activities was \$2,509,000 in 2Q17/18 compared to \$1,345,000 in 2Q16/17. The increase in cash outflow was mainly due to higher trade and other receivables and inventories.
- 13 Investing cash flow  
The Group net cash inflow from investing activities was \$2,308,000 in 2Q17/18 compared to \$57,000 in 2Q16/17. The increase in net cash inflow was solely due to receipt of final proceed from disposal of subsidiaries.
- 14 Financing cash flow  
As a result of issuance of placement shares to Yiguo, the Group net cash inflow from financing activities increased by \$15.0 million in July 2017.

**1H17/18 vs. 1H16/17**

- 15 The Group revenue increased by 30.5% to \$16.1 million in 1H17/18 compared to \$12.3 million 1H16/17. The increase was mainly due to increased sales to Yiguo (58.35% of Group Revenue in 1H17/18 vs 1% in 1H16/17).
- 16 The increase of Group gross profit to \$803,000 (margin 5.0%) in 1H17/18 compared to \$473,000 (margin 3.8%) in 1H16/17. The lower gross margin in 1H16/17 was mainly due to the reason stated in item (2) above.
- 17 The increase in other income was mainly due to the reason stated in item (3) above.

**No. 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 the group for the current financial period affected the turnover, costs, and earnings of 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.**

#### **1H17/18 vs. 1H16/17**

- 18 The decrease of depreciation to \$33,000 in 1H17/18 compared to \$81,000 in 1H16/17 was mainly due to disposal of subsidiaries in 2016/17.
- 19 The amortisation increased to \$175,000 in 1H17/18 was mainly due to intangible asset acquired in March 2017 and ERP system that was capitalised in April 2017.
- 20 The administrative expenses were \$2,013,000 in 1H17/18 compared to \$1,141,000 in 1H16/17. This was mainly due to a) the ERP system license fee and consultant fee amounting to \$228,000; b) Staffs related expenses amounting to \$190,000 arising from additional headcounts and recruitment expenses in both Singapore and China; c) amortisation of intangible assets amounting to \$175,000; d) one - off expenses amounting to \$191,000 as a result of professional fees and printing cost incurred in disposal of subsidiaries, investment in Harvest Season Pte Ltd and placement of new shares; and e) other one-off expenses of \$70k.
- 21 Loss from continuing operations for the period: -  
The Group loss from continuing operations before tax was \$1,579,000 in 1H17/18 compared to \$1,514,000 in 1H16/17.
- 22 Profit from discontinued operations for the period: -  
The Group profit from discontinued operation of \$665,000 in 1H17/18 compared to a loss of \$984,000 in 1H16/17. The main reason was stated in item (9) above.
- 23 The Group total loss after tax was \$914,000 in 1H17/18 compared to \$2,498,000 in 1H16/17. The reason was mainly due to item (2,3 &9) above.
- 24 The Group EBITDA was negative \$1,041,000 in 1H17/18 compared \$2,411,000 in 1H16/17. The reason was mainly due to item (2,3 &9) above.
- 25 Operating cash flow -  
The Group net cash outflow from operating activities in 1H17/18 was \$3,811,000 compared to \$3,671,000 in 1H16/17. This main reason was stated in item (12) above.
- 26 Investing cash flow -  
The Group net cash inflow from operating activities in 1H17/18 was \$4,906,000 compared to net outflow of \$104,000 in 1H16/17. The increase in cash inflow was due to receipt of proceeds from disposal of the subsidiaries in FY2016/17.
- 27 Financing cash flow -  
As a result of issuance of placement shares to Yiguo, the Group net cash inflow from financing activities increased by \$15.0 million in July 2017.
- 28 Material fluctuation in balance sheet items
  - (a) Other investment of \$753,000 arose from conversion of trade receivables from Shanghai Chibin International Trading Co. Ltd (related to Harvest Season China) to equity investment Harvest Season Pte Ltd ( 6.3% shares) in June 2017;
  - (b) The increase in cash and cash equivalent was mainly due to item stated (26&27) above;
  - (c) The increase in trade receivables was mainly due to increased sales, but partially offset by the conversion of trade receivables to equity as mentioned in item 28(a) above;
  - (d) The decrease in other receivables was largely due to receipt of proceeds from disposal of subsidiaries as mentioned in item (26) above;
  - (e) The increase in prepayments was mainly due to advance payments made to secure procurement;
  - (f) Increase in inventories was due to higher purchases to meet the demand;
  - (g) The increase in share capital was due to issuance of placement shares;
  - (h) The decrease in capital reserve was due to disposal of foreign subsidiaries;
  - (i) The decrease in general reserve was due to disposal of foreign subsidiaries;
  - (j) The increase in trade payables was mainly due to increase purchases towards end of the period;
  - (k) The decrease in other payables was mainly due to payments made to non-trade creditors during the period.

**No.9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

None.

**No. 10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The operating environment remains challenging and competitive. The Group is stepping up its marketing and sales efforts for its range of processed fruit products in Singapore, China and Indonesia.

**No. 11 Dividend**

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

None.

***(b) Corresponding Period of the Immediately Preceding Financial Period***

None.

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.

**No. 12 If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been recommended.

**No. 13 Interested Person Transactions**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

The aggregate value of interested person transactions entered into during the reporting period ended 30 September 2017 is as follows : -

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted pursuant to Rule 920) (In \$ '000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (In \$ '000)
Shanghai Yiguo E-Commerce Co. Ltd	5,757	5,757

The Company is proposing to convene an extraordinary general meeting ("EGM") to seek Shareholders' ratification, confirmation and approval of the Recurrent IPTs which occurred after the expiration of the 2017 IPT General Mandate and which is still ongoing.

**No.14 Confirmation pursuant to 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 out in Appendix 7.7 in accordance with Rule 720(1) of the SGX-ST Listing Manual.

SUNMOON FOOD COMPANY LIMITED  
Company Registration Number 198304656K

**No.15 Confirmation by board of directors pursuant to 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 that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 30 September 2017 to be false or misleading in any material aspect.

On behalf of the Directors

(signed)  
Mr Gary Loh Hock Chuan  
Director

(signed)  
Ms Ng Bie Tjin @Djuniarti Intan  
Director

13 November 2017