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**Third Quarter Financial Statements Announcement for the Period Ended 31-Dec-2017**

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**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		Change	Group		Change
	3rd Quarter Ended	31-Dec-16		YTD	31-Dec-16	
	31-Dec-17	31-Dec-16		31-Dec-17	31-Dec-16	
	S\$ '000	S\$ '000	%	\$ '000	\$ '000	%
<b>Continuing operations</b>						
Revenue	10,799	1,280	743.7%	26,887	13,609	97.6%
Cost of sales	(10,454)	(1,363)	667.0%	(25,739)	(13,219)	94.7%
<b>Gross profit</b>	<b>345</b>	<b>(83)</b>	n.m	<b>1,148</b>	<b>390</b>	194.4%
Other income	(208)	6,005	n.m	563	6,168	-90.9%
Selling & Distribution costs	(477)	(566)	-15.7%	(1,395)	(1,463)	-4.6%
Administrative expenses	(827)	(796)	3.9%	(2,840)	(1,937)	46.6%
Other expenses	(56)	(33)	69.7%	(276)	(144)	91.7%
Finance costs	(1)	(1)	-	(3)	(2)	50.0%
<b>(Loss)/ profit before income tax</b>	<b>(1,224)</b>	<b>4,526</b>	n.m	<b>(2,803)</b>	<b>3,012</b>	n.m
Income tax refund	-	-		-	-	
<b>(Loss)/ profit from continuing operations for the period,net of income tax</b>	<b>(1,224)</b>	<b>4,526</b>	n.m	<b>(2,803)</b>	<b>3,012</b>	n.m
<b>(Loss)/ profit from discontinued operations for the period,net of income tax</b>	<b>(26)</b>	<b>759</b>	n.m	<b>639</b>	<b>(225)</b>	n.m
<b>Total (loss)/profit for the period</b>	<b>(1,250)</b>	<b>5,285</b>	n.m	<b>(2,164)</b>	<b>2,787</b>	n.m
<b>Other comprehensive income :</b>						
<b>Reclassification to profit or loss/retained earnings on disposal of subsidiaries</b>						
- Foreign Exchange Translation Reserve	247	-		(413)	-	
<b>Item that may be reclassified subsequently to profit or loss</b>						
- General Reserve	(150)	-		(232)	-	
- Exchange difference on translating foreign operations	36	(873)	n.m	80	(865)	n.m
<b>Total comprehensive (loss)/ income for the period</b>	<b>(1,117)</b>	<b>4,412</b>	n.m	<b>(2,729)</b>	<b>1,922</b>	n.m
<b>EBITDA</b>	<b>(1,145)</b>	<b>5,336</b>	n.m	<b>(2,184)</b>	<b>2,925</b>	n.m
<b><u>Profit /(loss)for the period included the following</u></b>						
Depreciation of property, plant & equipment	(17)	(20)		(50)	(101)	
Amortisation of intangible assets	(87)	-		(262)	-	
Interest expenses	(1)	(31)		(3)	(88)	
Trade receivable written off	-	-		(35)	-	
* Income tax refund from discontinued operations	-	-		335	51	
<b>** Other income included:</b>						
- Government grant	2	-		4	77	
- Dividend income	-	-		-	70	
- Interest income	7	3		16	7	
- Write off long outstanding other payable	-	279		-	279	
- Write back due to struck off of subsidiary	-	-		3	-	
- Rebate	-	-		3	-	
- Franchise income	6	6		18	18	
- Licensing income	24	-		24	-	
- (Loss)/gain on disposal of subsidiaries	(247)	5,717		495	5,717	
	<b>(208)</b>	<b>6,005</b>		<b>563</b>	<b>6,168</b>	

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

	Group		Company	
	As at 31-Dec-17	As at 31-Mar-17	As at 31-Dec-17	As at 31-Mar-17
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	9,900	9,900
Amount due from subsidiaries	-	-	11,374	3,923
Other Investments	753	-	-	-
Property, plant and equipment	128	167	-	-
Intangible assets	2,887	3,000	112	-
Total non-current assets	3,768	3,167	21,386	13,823
<b>Current assets</b>				
Cash and cash equivalents	16,485	557	10,126	109
Trade receivables	4,533	5,032	-	-
Other receivables	54	5,502	35	5,240
Prepayments	479	404	36	20
Inventories	2,183	177	-	-
Total current assets	23,734	11,672	10,197	5,369
<b>Total assets</b>	27,502	14,839	31,583	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	284	617	-	-
General reserve	-	232	-	-
Accumulated losses	(138,375)	(137,305)	(130,722)	(128,457)
<b>Total equity</b>	19,801	7,380	27,170	14,435
<b>Non-current liability :</b>				
Finance leases obligation	61	65	-	-
<b>Current liabilities</b>				
Trade payables	4,608	1,908	-	-
Other payables	3,025	5,471	1,780	1,997
Amount due to a subsidiary	-	-	2,633	2,760
Finance leases obligation	7	15	-	-
Total current liabilities	7,640	7,394	4,413	4,757
<b>Total liabilities</b>	7,701	7,459	4,413	4,757
<b>Total liabilities and equity</b>	27,502	14,839	31,583	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 31-Dec-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>3rd Quarter Ended</b>		<b>YTD</b>	
	<b>31-Dec-17</b>	<b>31-Dec-16</b>	<b>31-Dec-17</b>	<b>31-Dec-16</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>				
Loss/(profit) before income tax from continuing operations	(1,224)	4,526	(2,803)	3,012
Loss/(profit) from discontinued operations before tax	(24)	761	304	(273)
Adjustments for:				
Interest expense	1	31	3	88
Interest income	(7)	(3)	(16)	(7)
Dividend income	-	-	-	(70)
Depreciation of property, plant and equipment	17	20	50	101
Amortisation of intangible asset	87	-	262	-
Loss/(gain) on disposal of subsidiaries	247	(5,717)	(495)	(5,717)
Trade receivables write off	-	-	35	-
Reversal of currencies translation reserve from disposal subsidiaries	-	1,969	-	1,969
Reversal of general reserve from disposal of subsidiaries	-	584	-	584
Write-back of allowance for inventory obsolescence	-	(257)	-	(257)
Write-back accruals and other payables	-	(1,250)	-	(1,250)
Operating loss before working capital changes	(903)	664	(2,660)	(1,820)
Change in working capital:				
Trade and other receivables	5,991	(1,838)	37	(5,269)
Inventories	(1,507)	267	(2,006)	71
Trade and other payables	(3,808)	(580)	254	1,814
Cash used in operations	(227)	(1,487)	(4,375)	(5,204)
Income tax refund	(2)	(1)	335	44
<b>Net cash used in operating activities</b>	<b>(229)</b>	<b>(1,488)</b>	<b>(4,040)</b>	<b>(5,160)</b>
<b>Investing activities</b>				
Interest received	7	3	16	7
Dividend received	-	-	-	70
Purchase of property, plant and equipment	-	(25)	-	(45)
Proceeds from disposal of subsidiaries	-	-	4,897	-
Proceeds from disposal of held-for-trading financial asset	-	-	-	52
<b>Net cash generated from/(used in) investing activities</b>	<b>7</b>	<b>(22)</b>	<b>4,913</b>	<b>84</b>
<b>Financing activities</b>				
Interest paid	(1)	(31)	(3)	(88)
Repayment of finance lease	(4)	(4)	(12)	(10)
Proceed from bank loan borrowings	-	-	-	2,031
Repayment of bank loan borrowings	-	-	-	(115)
Proceeds from issue of Placement shares	-	-	15,000	-
<b>Cash (used in)/ generated from financing activities</b>	<b>(5)</b>	<b>(35)</b>	<b>14,985</b>	<b>1,818</b>
<b>Net (decrease) /increase in cash and cash equivalents</b>	<b>(227)</b>	<b>(1,545)</b>	<b>15,858</b>	<b>(3,258)</b>
Cash and cash equivalents at beginning of the period	16,676	3,619	557	5,230
Effect of exchange rate fluctuations on cash and cash equivalents	36	264	70	366
<b>Cash and cash equivalents at end of of the period</b>	<b>16,485</b>	<b>2,338</b>	<b>16,485</b>	<b>2,338</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.**

	Share capital	Capital reserve	Capital reduction reserve	Foreign currency translation reserve	Revaluation reserve	General reserve	Accumulated (losses)	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>GROUP</b>								
<b>Bal at 01/04/2017</b>	<b>124,508</b>	<b>944</b>	<b>18,384</b>	<b>617</b>	<b>-</b>	<b>232</b>	<b>(137,305)</b>	<b>7,380</b>
Gain for the period	-	-	-	-	-	-	(497)	(497)
<u>Other comprehensive loss</u>								
Reclassification on disposal of subsidiaries	-	(944)	-	5	-	(82)	944	(77)
Currency translation difference arising from consolidation	-	-	-	26	-	-	-	26
Total comprehensive loss for the period	-	(944)	-	31	-	(82)	447	(548)
<b>Bal at 30/06/2017</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>648</b>	<b>-</b>	<b>150</b>	<b>(136,858)</b>	<b>6,832</b>
Loss for the period	-	-	-	-	-	-	(417)	(417)
<u>Other comprehensive loss</u>								
Reclassification on disposal of subsidiaries	-	-	-	(665)	-	-	-	(665)
Currency translation difference arising from consolidation	-	-	-	18	-	-	-	18
Total comprehensive loss for the period	-	-	-	(647)	-	-	(417)	(1,064)
<u>Contributions by owners</u>								
Placement Shares and Adjustment Shares issued	15,000	-	-	-	-	-	-	15,000
Total contributions by owners for the period	15,000	-	-	-	-	-	-	15,000
<b>Bal at 30/09/2017</b>	<b>139,508</b>	<b>-</b>	<b>18,384</b>	<b>1</b>	<b>-</b>	<b>150</b>	<b>(137,275)</b>	<b>20,768</b>
Loss for the period	-	-	-	-	-	-	(1,250)	(1,250)
<u>Other comprehensive loss</u>								
Reclassification on disposal of subsidiaries	-	-	-	-	-	(150)	150	-
Currency translation difference arising from consolidation	-	-	-	283	-	-	-	283
Total comprehensive loss for the period	-	-	-	283	-	(150)	(1,100)	(967)
<b>Bal at 31/12/2017</b>	<b>139,508</b>	<b>-</b>	<b>18,384</b>	<b>284</b>	<b>-</b>	<b>-</b>	<b>(138,375)</b>	<b>19,801</b>
<b>COMPANY</b>								
<b>Bal at 01/04/2017</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(128,457)</b>	<b>14,435</b>
Total comprehensive loss for the period	-	-	-	-	-	-	(441)	(441)
<b>Bal at 30/06/2017</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(128,898)</b>	<b>13,994</b>
Total comprehensive loss for the period	-	-	-	-	-	-	(1,177)	(1,177)
<u>Contributions by owners</u>								
Placement Shares and Adjustment Shares issued	15,000	-	-	-	-	-	-	15,000
Total contributions by owners for the period	15,000	-	-	-	-	-	-	15,000
<b>Bal at 30/09/2017</b>	<b>139,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(130,075)</b>	<b>27,817</b>
Total comprehensive loss for the period	-	-	-	-	-	-	(647)	(647)
<b>Bal at 31/12/2017</b>	<b>139,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(130,722)</b>	<b>27,170</b>

	Share capital	Capital reserve	Capital reduction reserve	Foreign currency translation reserve	Revaluation reserve	General reserve	Accumulated (losses)	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>GROUP</b>								
<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>								
Currency translation difference arising from consolidation	-	-	-	(91)	-	-	-	(91)
Total comprehensive loss for the period	-	-	-	(91)	-	-	(917)	(1,008)
<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>								
Currency translation difference arising from consolidation	-	-	-	99	-	-	-	99
Total comprehensive loss for the period	-	-	-	99	-	-	(1,581)	(1,482)
<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>
Loss for the period	-	-	-	-	-	-	2,732	2,732
<u>Other comprehensive loss</u>								
Transfer general reserve to accumulated losses	-	-	-	-	-	(1,969)	1,969	-
Transfer foreign currency translation reserve to accumulated losses	-	-	-	(584)	-	-	584	-
Currency translation difference arising from consolidation	-	-	-	(289)	-	-	-	(289)
Total comprehensive loss for the period	-	-	-	(873)	-	(1,969)	5,285	2,443
<b>Bal at 31/12/2016</b>	<b>124,508</b>	<b>944</b>	<b>18,384</b>	<b>1,398</b>	<b>2,510</b>	<b>232</b>	<b>(138,637)</b>	<b>9,339</b>
<b>COMPANY</b>								
<b>Bal at 01/04/2016</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(137,894)</b>	<b>4,998</b>
Total comprehensive loss for the period	-	-	-	-	-	-	(328)	(328)
<b>Bal at 30/06/2016</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(138,222)</b>	<b>4,670</b>
Total comprehensive income for the period	-	-	-	-	-	-	11,467	11,467
<b>Bal at 30/09/2016</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(126,755)</b>	<b>16,137</b>
Total comprehensive loss for the period	-	-	-	-	-	-	459	459
<b>Bal at 31/12/2016</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(126,296)</b>	<b>16,596</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 by the Company was 318,784,382.

On 5 July 2017, there was issuance of 333,333,333 Placement Shares and 67,607,078 of Adjustment Shares to Yiguo General Food Pte. Ltd.

The total number of ordinary shares during the period ended 31 December 2017 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 figures on the consolidated results for the quarter ended 31 December 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>3rd Quarter Ended</b>		<b>YTD</b>	
	<b>(Continuing operation)</b>		<b>(Continuing operation)</b>	
	<b>31-Dec-17</b>	<b>31-Dec-16</b>	<b>31-Dec-17</b>	<b>31-Dec-16</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
Loss attributable to shareholders	(1,224)	4,526	(2,803)	3,012
Loss used to determine diluted earnings per share	(1,224)	4,526	(2,803)	3,012
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	719,725	318,784	581,218	318,784
Weighted average number of ordinary shares applicable to diluted earnings per share ('000)	719,725 #	318,784	581,218 #	318,784
Loss per ordinary share, in cents :				
- basic	(0.1700)	1.4198	(0.4822)	0.9449
- fully diluted	(0.1700)	1.4198	(0.4822)	0.9449

# The unlisted warrants of 166,666,667 to Yiguo amounting to \$9 million as at 31 December 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</b>	<b>As at</b>
	<b>31-Dec-17</b>	<b>31-Mar-17</b>
	<b>cents</b>	<b>cents</b>
Group	2.75	2.32
Company	3.78	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 31 December 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 31 December 2017 ("3Q17/18") vs. Quarter ending 31 December 2016 ("3Q16/17")**

- 1 The Group's revenue increased by 743.7% to \$10.8 million in 3Q17/18 compared to \$1.3 million in 3Q16/17. This was mainly due to the increase in sales to Shanghai YiGuo E-Commence Co. Ltd ("Yiguo") (67.1% of Group revenue in 3Q17/18 vs 9.5% in 3Q16/17).
- 2 The Group's gross profit increased to \$345,000 (margin 3.2%) in 3Q17/18 compared to loss of \$83,000 (margin -6.5%) in 3Q16/17. The negative gross margin in 3Q16/17 was due to discount given to customers pertaining to transactions in previous quarters.
- 3 The decrease in other income was due to gain on disposal of subsidiaries amounting to \$5.7 million in 3Q16/17 as compare to current quarter's losses of \$208k.
- 4 The amortisation of \$87,000 in 3Q17/18 was due to intangible asset acquired in March 2017 and ERP system that was capitalised in April 2017.
- 5 The selling & distribution expenses were \$477,000 in 3Q17/18 compared to \$566,000 in 3Q16/17. The higher selling & distribution expenses in 3Q16/17 was mainly due to higher marketing & promotion expenses incurred.
- 6 The administrative expenses were \$827,000 in 3Q17/18 compared to \$796,000 in 3Q16/17.
- 7 Other expenses were \$56,000 in 3Q17/18 compared to \$33,000 in 3Q16/17. This was mainly due to increased foreign exchange difference.
- 8 Loss from continuing operations for the period: -  
The group's loss from continuing operations before tax was \$1.2 million in 3Q17/18 compared to profit of \$4.5 million in 3Q16/17. The profit in 3Q16/17 was due to the gain on disposal of subsidiaries of \$5.7 million as stated in item (3) above.
- 9 Loss 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 Agro Produce Pte. Ltd ("UAP") in Singapore, Taian FHTK Foodstuffs Co. Ltd ("New Taian"), and Taian 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.  
Loss from discontinued operation was \$26,000 in 3Q17/18 compared to profit of \$759,000 in 3Q16/17. The profit in 3Q16/17 was mainly due to write back of outstanding accruals and other payables.
- 10 The total loss after tax for the Group was \$1.3 million in 3Q17/18 compared to profit of \$5.3 million in 3Q16/17. The reasons are as stated above.
- 11 The Group's EBITDA was negative \$1.1 million in 3Q17/18 compared to positive \$5.3 million in 3Q16/17. The main reason was as stated in item (8) above.
- 12 Operating cash flow  
The Group net cash outflow from operating activities was \$229,000 in 3Q17/18 compared to \$1,488,000 in 3Q16/17. The decrease in cash outflow was due to higher trade & other receivables and inventories.

**YTD17/18 vs. YTD16/17**

- 13 The Group's revenue increased by 97.6% to \$26.9 million in YTD17/18 as compared to \$13.6 million in YTD16/17. The increase was mainly due to increased sales to Yiguo (61.3% of Group revenue in YTD17/18 vs 3.8% in YTD16/17).
- 14 The increase of Group's gross profit to \$1,148,000 (margin 4.3%) in YTD17/18 from \$390,000 (margin 2.9%) in YTD16/17 is in line with increased sales to Yiguo.
- 15 The decrease in other income was due to the reason stated in item (3) above.
- 16 The decrease in depreciation to \$50,000 in YTD17/18 compared to \$101,000 in YTD16/17 was mainly due to disposal of PPE as result of disposal subsidiaries in YTD16/17.
- 17 Amortisation expenses increased to \$262,000 in YTD17/18 due to the intangible asset acquired in March 2017 and ERP system that was capitalised in April 2017.

**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.**

**YTD17/18 vs. YTD16/17 (Con'td)**

- 18 The administrative expenses were \$2,840,000 in YTD17/18 compared to \$1,937,000 in YTD16/17. This was mainly due to a) the ERP system license fee and consultant fee amounting to \$288,000; b) Staffs related expenses amounting to \$92,000 arising from additional headcounts and recruitment expenses in both Singapore and China; c) amortisation of intangible assets amounting to \$262,000; d) one - off expenses amounting to \$261,000 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;
- 19 Loss from continuing operations for the period: -  
The Group's loss from continuing operations before tax was \$2.8 million in YTD17/18 compared to profit of \$3 million in YTD16/17. The profit in YTD16/17 was mainly due to gain on disposal of subsidiaries of \$5.7 million as stated in item (3) above.
- 20 Profit from discontinued operations for the period: -  
The Group's profit from discontinued operation in YTD17/18 was \$639,000 compared to a loss of of \$225,000 in YTD16/17. The profit was due to the reversal of historical adjustment pertaining to value of inventory \$388,000 and tax refund of \$335,000 to UGC, this is offset by administrative expenses in UGC and SMUSA of \$84,000.
- 21 The Group's total loss after tax was \$2.1 million in YTD17/18 compared to gain of \$2.8 million in YTD16/17. The reason was mainly due to item (3) above.
- 22 The Group's EBITDA was negative \$2.2 million in YTD17/18 compared to positive \$2.9 million in YTD16/17. The reason was mainly due to item (2 & 3) above.
- 23 Operating cash flow -  
The Group's net cash outflow from operating activities in YTD17/18 was \$4.0 million compared to \$5.2 million in YTD16/17. The main reason is stated in item (12) above.
- 24 Investing cash flow -  
The Group's net cash inflow from investing activities in YTD17/18 was \$4,913,000 compared to \$82,000 for YTD16/17. The increase in cash inflow was due to receipt of proceeds from disposal of the subsidiaries in FY2016/17.
- 25 Financing cash flow -  
As a result of issuance of placement shares to Yiguo, the Group's net cash inflow from financing activities increased by \$15.0 million in July 2017.
- 26 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 in Harvest Season Pte Ltd (6.3% shares) in June 2017;
  - (b) The increase in cash and cash equivalent was mainly due to item stated (24&25) above;
  - (c) The decrease in trade receivables was mainly due to conversion of debt to equity as stated in item 26(a) above;
  - (d) The decrease in other receivables mainly due to receipt of final proceeds from disposal of subsidiaries as stated in item (24);
  - (e) The increase in prepayments was mainly due to advance payments to suppliers to secure procurement;
  - (f) The increase in inventories was mainly due to goods in transit for fresh fruits purchased before quarter ended;
  - (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 increased 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 will step up its brand-building and marketing efforts in our existing and new markets for its fresh and processed fruit products. The Group will focus on improving its overall sourcing of products from global markets and improving margins by dealing with higher value-added products.

**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/recommendeded, a statement to that effect.**

No dividend has been recommended.

**No. 13 Interested Person Transactions**

The Group has obtained a general mandate from shareholders for Interested Person Transactions on 11 January 2018.

The aggregate value of interested person transactions entered into during the reporting period ended 31 December 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	7,241	7,241

**No.14 Has the issuer procured confirmations undertakings from all its directors and executive officers?  
(in the format set out in Appendix 7.7) under Rule 720(1)**

Yes.

SUNMOON FOOD COMPANY LIMITED  
Company Registration Number 198304656K

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705 (5) OF THE 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 31 December 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

8 February 2018