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**First Quarter Financial Statements Announcement for the Period Ended 30-Jun-2019**

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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**

n.m - "not meaningful"

	<b>Group</b>		
	<b>First Quarter Ended</b>		
	<b>30-Jun-19</b>	<b>30-Jun-18</b>	<b>Change</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>%</b>
<b><u>Continuing operations</u></b>			
Revenue	5,400	15,933	-66%
Cost of sales	(4,742)	(15,567)	-70%
<b>Gross profit</b>	<b>658</b>	<b>366</b>	80%
Other income	48	79	-39%
Selling & Distribution costs	(265)	(465)	-43%
Administrative expenses	(337)	(751)	-55%
Other expenses	-	(69)	-100%
Finance costs	-	(1)	-100%
<b>Profit/(loss) from continuing operations for the period before income tax</b>	<b>104</b>	<b>(841)</b>	n.m
Income tax expense	-	-	
<b>Profit/(loss) from continuing operations for the period, net of income tax</b>	<b>104</b>	<b>(841)</b>	n.m
<b><u>Discontinued operations</u></b>			
Profit from discontinued operations for the period, net of income tax	-	1,444	-100%
<b>Profit for the period</b>	<b>104</b>	<b>603</b>	-83%
<b>Other comprehensive income :</b>			
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>			
Reclassification to profit or loss on disposal of subsidiaries			
- Foreign currency translation reserve	-	(1,544)	-100%
Exchange difference arising from translation of foreign operations	(176)	73	n.m
<b>Total comprehensive loss for the period</b>	<b>(72)</b>	<b>(868)</b>	-92%
<b><u>Profit from discontinued operations for the period included the following</u></b>			
Gain on disposal of subsidiaries	-	1,544	
<b><u>Profit/(loss) from continuing operations for the period included the following:</u></b>			
- Depreciation of property, plant & equipment	(6)	(17)	
- Amortisation of intangible assets	-	(12)	
- Interest expenses	-	(1)	
<b>Other income included:</b>			
- Government grant	1	58	
- Interest income	-	14	
- Other income	-	1	
- Foreign exchange gain	41	-	
- Franchise income	6	6	
	<b>48</b>	<b>79</b>	

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

	Group		Company	
	As at 30-Jun-19	As at 31-Mar-19	As at 30-Jun-19	As at 31-Mar-19
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Subsidiaries	-	-	14,905	15,156
Investment securities	-	-	-	-
Property, plant and equipment	36	38	-	-
<b>Total non-current assets</b>	36	38	14,905	15,156
<b>Current assets</b>				
Cash and cash equivalents	2,373	8,305	122	36
Trade receivables	18,126	23,242	-	-
Other receivables	542	423	3	8
Deposits and prepayments	6,399	2,320	11	30
Inventories	-	5	-	-
<b>Total current assets</b>	27,440	34,295	136	74
<b>Total assets</b>	27,476	34,333	15,041	15,230
<b>Equity attributable to equity holders of the Company</b>				
Share capital	139,508	139,508	139,508	139,508
Other reserves	14,924	15,100	16,764	16,764
Accumulated losses	(146,135)	(146,239)	(143,990)	(143,762)
<b>Total equity</b>	8,297	8,369	12,282	12,510
<b>Non-current liabilities</b>				
Finance leases obligation	7	8	-	-
Financial liabilities arising from contingent issuance of shares	2,077	2,077	2,077	2,077
<b>Total non-current liabilities</b>	2,084	2,085	2,077	2,077
<b>Current liabilities</b>				
Trade payables	14,732	21,979	-	-
Other payables and accruals	2,360	1,897	682	643
Finance leases obligation	3	3	-	-
<b>Total current liabilities</b>	17,095	23,879	682	643
<b>Total liabilities</b>	19,179	25,964	2,759	2,720
<b>Total liabilities and equity</b>	27,476	34,333	15,041	15,230

(Note 1)

(Note 2)

**No.1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

		(\$ '000)			
		As At 30-Jun-19		As At 31-Mar-19	
		Secured	Unsecured	Secured	Unsecured
Bank loans		-	-	-	-

**Details of any collateral**

Nil.

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

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 period.**

	<b>Group</b>	
	<b>First Quarter Ended</b>	
	<b>30-Jun-19</b>	<b>30-Jun-18</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>		
Profit/(loss) from continuing operations before tax	104	(841)
Profit from discontinued operations before tax	-	1,444
Adjustments for:		
Interest expense	-	1
Interest income	-	(14)
Depreciation of property, plant and equipment	6	17
Amortisation of intangible asset	-	12
Foreign exchange	(204)	-
Gain on disposal of subsidiaries	-	(1,544)
<b>Operating loss before working capital changes</b>	<b>(94)</b>	<b>(925)</b>
Change in working capital:		
Trade and other receivables	918	(275)
Inventories	5	(1,945)
Trade and other payables	(6,784)	(1,300)
Cash used in operations	(5,955)	(4,445)
Income tax refund	-	-
<b>Net cash used in operating activities</b>	<b>(5,955)</b>	<b>(4,445)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(3)	-
Interest received	-	14
<b>Net cash (used in)/generated from investing activities</b>	<b>(3)</b>	<b>14</b>
<b>Financing activities</b>		
Interest paid	-	(1)
Repayment of finance lease obligation	(1)	-
<b>Net cash used in financing activities</b>	<b>(1)</b>	<b>(1)</b>
Net decrease in cash and cash equivalents	(5,959)	(4,432)
Cash and cash equivalents at beginning of the period	8,305	11,363
Effect of exchange rate fluctuations on cash and cash equivalents	27	73
<b>Cash and cash equivalents at end of the period</b>	<b>2,373</b>	<b>7,004</b>

**No. 1 A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from (d)(i) capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.**

Share capital	Capital reduction reserve	Treasury shares	Foreign currency translation reserve	Reserve for contingent issuance of shares	Other reserves total	Accumulated losses	Total equity
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000

### **GROUP**

**Bal at 01/04/2019**

Profit for the period

Other comprehensive loss for the period

Exchange differences arising from translation of foreign operations

Total comprehensive (loss)/profit for the period

**Bal at 30/06/2019**

<b>139,508</b>	18,384	(299)	(1,664)	(1,321)	<b>15,100</b>	<b>(146,239)</b>	<b>8,369</b>
-	-	-	-	-	-	104	104
-	-	-	(176)	-	(176)	-	(176)
-	-	-	<b>(176)</b>	-	<b>(176)</b>	<b>104</b>	<b>(72)</b>
<b>139,508</b>	18,384	(299)	(1,840)	(1,321)	<b>14,924</b>	<b>(146,135)</b>	<b>8,297</b>

### **COMPANY**

**Bal at 01/04/2019**

Total comprehensive loss for the period

**Bal at 30/06/2019**

<b>139,508</b>	18,384	(299)	-	(1,321)	<b>16,764</b>	<b>(143,762)</b>	<b>12,510</b>
-	-	-	-	-	-	(228)	(228)
<b>139,508</b>	18,384	(299)	-	(1,321)	<b>16,764</b>	<b>(143,990)</b>	<b>12,282</b>

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 reduction reserve	Treasury shares	Foreign currency translation reserve	Reserve for contingent issuance of shares	Other reserves total	Accumulated losses	Total equity
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000

#### **GROUP**

**Bal at 01/04/2018**

Profit for the period

Other comprehensive loss

Disposal of subsidiaries

Exchange differences arising from translation of foreign operations

Total comprehensive (loss)/ profit for the period

**Bal at 30/06/2018**

<b>139,508</b>	18,384	-	267	(1,321)	<b>17,330</b>	<b>(141,958)</b>	<b>14,880</b>
-	-	-	-	-	-	603	603
-	-	-	(1,544)	-	(1,544)	-	(1,544)
-	-	-	73	-	73	-	73
-	-	-	<b>(1,471)</b>	-	<b>(1,471)</b>	<b>603</b>	<b>(868)</b>
<b>139,508</b>	18,384	-	(1,204)	(1,321)	<b>15,859</b>	<b>(141,355)</b>	<b>14,012</b>

#### **COMPANY**

**Bal at 01/04/2018**

Total comprehensive loss for the period

**Bal at 30/06/2018**

<b>139,508</b>	18,384	-	-	(1,321)	<b>17,063</b>	<b>(129,989)</b>	<b>26,582</b>
-	-	-	-	-	-	(327)	<b>(327)</b>
<b>139,508</b>	18,384	-	-	(1,321)	<b>17,063</b>	<b>(130,316)</b>	<b>26,255</b>

**No. 1 Details of any changes in the company's share capital arising from rights issue, bonus issue, (d)(ii) 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Changes in the Company's share capital and treasury shares are as follows:

As at 30 June 2019, the total number of ordinary shares issued by the Company was 719,724,783 (31 March 2019: 719,724,783).

As at 30 June 2019, there were 6,362,798 treasury shares (31 March 2019: 6,362,798)

There were 166,666,667 warrants outstanding as at 30 June 2019 (31 March 2019: 166,666,667)

**No. 1 To show the total number of issued shares excluding treasury shares as at the end of current (d)(iii) financial period and as at the end of immediately preceding year.**

Movements in the Company's issued and fully paid-up capital (excluding treasury shares) were as follows :

	No. of Shares
As at 01/04/2019 & 30/06/2019	713,361,985
Total purchase of treasury shares to date	6,362,798

**No. 1 A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares (d)(iv) at the end of current financial period reported on.**

The Company did not sell, transfer, cancel or use any treasury shares for the quarter ended 30 June 2019.

**No. 1 A statement showing all sales, transfer, disposal, cancellation and/or use of subsidiary (d)(v) holdings at the end of the current financial period reported**

There are no subsidiary holdings for the quarter ended 30 June 2019.



**No. 1**  
**(e) Notes to Financial Statements**

**Note 1 - Investment securities**

Equity securities (unquoted) designated at fair value through other profit or loss ("FVPL") of S\$752,000 pertains to investment in Harvest Seasons Pte Ltd had been fully impaired as at 31 March 2018. As at 30 June 2019, management has ascertained the fair value to be zero.

**Note 2 - Financial liabilities arising from contingent issuance of shares**

Financial liabilities arising from contingent issuance of shares pertains to contingent issuance of top-up adjustments shares as a result of the occurrence of certain loss events pursuant to the Placement Agreement and Supplemental to Placement Agreement entered into by the Company and Shanghai YiGuo ECommerce Co., Ltd on 31 December 2016 and 13 May 2017 respectively.

**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 have not been audited or reviewed by the Company's auditor.

**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 and the Company have applied the same accounting policies and methods of computation for the current reporting period, compared with the last audited financial statements as at 31 March 2019, except for the adoption of SFRS(I) 16 Leases. The Group and the Company have adopted SFRS(I) 16 on 1 April 2019. The adoption of SFRS(I)16, as explained in Note 5 did not have a material impact on the Group's results for the current financial period.

**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.**

**SFRS(I) 16 Leases**

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases.

SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use ("ROU") asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right of-use asset in the income statement.

The Group has adopted SFRS(I) 16 on 1 April 2019.

**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.**

	Group		Group	
	First Quarter Ended (Continuing operation)		First Quarter Ended (Including discontinued operation)	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Basic EPS</b>				
Profit/(loss) attributable to shareholders	104	(841)	104	603
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	713,362	719,725	713,362	719,725
per ordinary share, in cents :				
- basic	0.0146	(0.1169)	0.0146	0.0838
<b>Diluted EPS</b>				
Profit/(loss) attributable to shareholders	104	(841)	104	603
Weighted average number of ordinary shares applicable to diluted earnings per share ('000)	778,273	723,900	778,273	723,900
Earning/(loss) per ordinary share, in cents :				
- fully diluted	0.0134	(0.1162)	0.0134	0.0833

As at 30 June 2019 and 30 June 2018, the unlisted 166,666,667 warrants to Yiguo were not included in the computation of diluted earnings per share because they are anti-dilutive.

As at 30 June 2019 and 30 June 2018, the contingent shares to be issued to Yiguo were included in the computation of diluted earnings per share. The number of contingent shares included in the diluted earnings per share calculation is based on the number of shares issuable assuming the occurrence of the loss events at the end of the reporting period (30 June 2019 : 64,911,000, 30 June 2018 : 4,175,000).

**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.**

	As at 30-Jun-19 cents	As at 31-Mar-19 cents
Group	1.16	1.17
Company	1.72	1.75
No of issued shares ('000)	# 713,362	713,362

Note :

\* As at 30 June 2019 and 31 March 2019, the number of issued shares excludes 6,362,798 treasury shares. Refer to No. 1(d)(iii).

The calculation of net asset value per ordinary share is based on the number of ordinary shares of the Company as at 30 June 2019 and 31 March 2019 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 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.**

### **1Q19/20 vs.1Q18/19**

Material fluctuation in profit and loss and cash flow items :

- 1 The Group's revenue for 1Q19/20 was \$5.40 million compared to \$15.93 million for 1Q18/19. The decrease was mainly attributed to the Group's new work plan to simplify and to focus its business effort on certain fruit products. The sales to Shanghai Yiguo E-Commerce Co. Ltd and its related companies ("Yiguo") constituted 32.9% and 41.8% of the Group's revenue for 1Q19/20 and 1Q18/19 respectively.
- 2 Gross profit for 1Q19/20 was \$0.66 million (gross margin of 12.2%) compared to gross profit of \$0.37 million (gross margin of 2.3%) for 1Q18/19. The improved gross margin was mainly due to better pricing for certain key seasonal products.
- 3 Other income for 1Q19/20 was \$0.05 million compared to \$0.08 million for 1Q18/19.
- 4 The selling and distribution expenses ("S&D") and administrative expenses ("Admin") for 1Q19/20 were \$0.27 million and \$0.34 million compared to \$0.47 million and \$0.75million for 1Q18/19, respectively. The S&D and admin expenses were lower for 1Q19/20 due to a series of cost reduction measures undertaken to streamline the Group's operations.
- 5 Profit from continuing operations for the period: -  
The Group's profit from continuing operations before tax for 1Q19/20 was \$0.10 million compared to a loss of \$0.84 million for 1Q18/19. The reason was mainly due to item (2) and (4) above.
- 6 Profit from discontinued operations for the period: -  
The Group's profit from discontinued operation for 1Q19/20 was nil compared to a profit of \$1.44 million for 1Q18/19. This was mainly due to a gain of \$1.54 million recognised from the disposal of subsidiaries in USA for 1Q18/19.
- 7 Total comprehensive loss for the period: -  
The Group's total comprehensive loss after tax for 1Q19/20 was \$0.07 million compared to the total comprehensive loss of \$0.87 million for 1Q18/19. This was explained in item (5) and (6) above.
- 8 Operating cash flow: -  
The Group's net cash outflow from operating activities for 1Q19/20 was \$5.96 million compared to \$4.45 million for 1Q18/19. The increase in the cash outflow was mainly due to the increase in cash outflow from trade and other payables offset by the increase in cash inflow from trade and other receivables.

**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 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.**

**1Q19/20 vs.4Q18/19**

**9 Material fluctuations in balance sheet items**

- (a) The decrease in cash and cash equivalent was mainly due to net cash outflow used in operating activities as stated in item (8) above.
- (b) Decrease in trade receivables was mainly due to collection from customers and the decrease in credit sales.
- (c) Increase in other receivables was mainly due to increase in GST/VAT refundable.
- (d) Increase in deposits and prepayments was mainly due to \$6.15 million of advances provided to Shanghai Yiguo E-Commerce Ltd and its related entities for secure procurement offset by the decrease of \$2.05 million in advances to other suppliers.
- (e) Decrease in trade payables was mainly due to repayment to suppliers as stated in item (8) above.
- (f) Increase in other payables and accruals was mainly due to \$0.47 million of accruals in purchases that were yet to be billed.

**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 continue to focus on its value added fresh fruit products in China and South East Asia and expand our agri-food offerings.

Barring unforeseen circumstances, any significant foreign exchange rate fluctuations and other non-operation related factors, the Group expects:

- (i) revenue for the current FY 2019/2020 to be improved from that for FY2018/2019;
- (ii) operating results to be at breakeven level for the current FY ending 2019/2020; and
- (iii) to dedicate more efforts to increase SunMoon brand exposure.

**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.**

After considering the Group's financial position, no dividend has been declared.

**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 30 June 2019 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 shareholders' mandate 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)
<b>Shanghai Yiguo E-Commerce Co. Ltd and its related entities: -</b>		
<i>Sales to</i>	1,774	1,774
<i>Advances</i>	6,153	6,153

**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)**

The Company confirms it has procured the undertakings from all Directors and executive officers as required under SGX Listing Rule 720(1).

**No.15 Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual**

As at the date of this announcement, the Board of Directors confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the financial statements for the period ended 30 June 2019 to be false or misleading, in any material aspect.

**BY ORDER OF THE BOARD**

Mr Zhang Ye  
Executive Director and Chief Executive Officer  
31 July 2019