



Second Quarter Financial Statements Announcement for the Period Ended 30-Sep-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 period.

n.m - "not meaningful"

	Group			YTD		
	Second Quarter Ended		Change	Half Year Ended		Change
	30-Sep-19	30-Sep-18		30-Sep-19	30-Sep-18	
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
<u>Continuing operations</u>						
Revenue	1,953	14,254	-86%	7,353	30,187	-76%
Cost of sales	(1,902)	(15,714)	-88%	(6,644)	(31,280)	-79%
Gross profit	51	(1,460)	n.m	709	(1,093)	n.m
Other income	162	500	-68%	210	509	-59%
Selling & Distribution costs	(262)	(404)	-35%	(527)	(870)	-39%
Administrative expenses	(253)	(681)	-63%	(590)	(1,431)	-59%
Other expenses	647	-	n.m	647	-	n.m
Finance costs	-	(1)	-100%	-	(2)	-100%
	345	(2,046)	n.m	449	(2,887)	n.m
Fair value change on financial liability arising from contingent issuance of shares	(649)	-	n.m	(649)	-	n.m
Loss from continuing operations for the period before income tax	(304)	(2,046)	-85%	(200)	(2,887)	-93%
Income tax expense	-	-	n.m	-	-	n.m
Loss from continuing operations for the period, net of income tax	(304)	(2,046)	-85%	(200)	(2,887)	-93%
<u>Discontinued operations</u>						
Loss/(profit) from discontinued operations for the period, net of income tax	-	(49)	-100%	-	1,395	-100%
Loss for the period	(304)	(2,095)	-85%	(200)	(1,492)	-87%
Other comprehensive income :						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Reclassification to profit or loss on disposal of subsidiaries						
- Foreign currency translation reserve	-	-	n.m	-	(1,544)	-100%
Exchange difference arising from translation of foreign operations	(115)	(520)	-78%	(291)	(447)	-35%
Total comprehensive loss for the period	(419)	(2,615)	-84%	(491)	(3,483)	-86%
<u>Profit from discontinued operations for the period included the following</u>						
Gain on disposal of subsidiaries	-	-		-	1,544	
<u>Profit/(loss) from continuing operations for the period included the following:</u>						
- Depreciation of property, plant & equipment	(4)	(11)		(10)	(28)	
- Amortisation of intangible assets	-	(12)		-	(25)	
- Interest expenses	-	(1)		-	(2)	
- Inventories written off	-	(147)		-	-	
- Other receivables written off	(2)	-		(2)	-	
Other income included:						
- Government grant	1	-		1	58	
- Interest income	-	15		-	29	
- Other income	62	3		63	3	
- Foreign exchange gain, net	93	476		134	407	
- Franchise income	6	6		12	12	
	162	500		210	509	

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

	Group		Company	
	As at	As at	As at	As at
	30-Sep-19	31-Mar-19	30-Sep-19	31-Mar-19
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Subsidiaries	-	-	14,558	15,156
Investment securities	-	-	-	-
Property, plant and equipment	31	38	-	-
Total non-current assets	31	38	14,558	15,156
Current assets				
Cash and cash equivalents	1,557	8,305	12	36
Trade receivables	15,331	23,242	-	-
Other receivables	1,371	423	12	8
Deposits and prepayments	461	2,320	33	30
Inventories	-	5	-	-
Total current assets	18,720	34,295	57	74
Total assets	18,751	34,333	14,615	15,230
Equity attributable to equity holders of the Company				
Share capital	139,508	139,508	139,508	139,508
Other reserves	14,809	15,100	16,764	16,764
Accumulated losses	(146,439)	(146,239)	(144,072)	(143,762)
Total equity	7,878	8,369	12,200	12,510
Non-current liabilities				
Finance lease obligation	8	8	-	-
Financial liability arising from contingent issuance of shares	2,077	2,077	2,077	2,077
Total non-current liabilities	2,085	2,085	2,077	2,077
Current liabilities				
Trade payables	6,907	21,979	-	-
Other payables and accruals	1,879	1,897	339	643
Finance lease obligation	2	3	-	-
Total current liabilities	8,788	23,879	339	643
Total liabilities	10,873	25,964	2,416	2,720
Total liabilities and equity	18,751	34,333	14,616	15,230

(Note 1)

(Note 2)

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

		(\$ '000)			
		As At 30-Sep-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.

	Group		Group	
	Second Quarter Ended		Half Year Ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Loss from continuing operations before tax	(304)	(2,046)	(200)	(2,887)
Loss/(profit) from discontinued operations before tax	-	(49)	-	1,395
Adjustments for:				
Interest expense	-	1	-	2
Interest income	-	(15)	-	(29)
Depreciation of property, plant and equipment	4	11	10	28
Inventories written off	-	147	-	147
Other receivables written off	2	-	2	-
Write back of provision for other receivables	(62)	-	(62)	-
Amortisation of intangible asset	-	(476)	-	(407)
Foreign exchange	(93)	12	(134)	25
Gain on disposal of subsidiaries	-	-	-	(1,544)
Fair value changes on financial liability arising from contingent issuance of shares	-	-	-	-
Operating loss before working capital changes	(453)	(2,415)	(384)	(3,270)
Change in working capital:				
Trade and other receivables	7,964	157	8,882	(120)
Inventories	-	2,797	5	852
Trade and other payables	(8,306)	(3,553)	(15,090)	(4,851)
Cash used in operations	(795)	(3,014)	(6,587)	(7,389)
Income tax refund	-	-	-	-
Net cash used in operating activities	(795)	(3,014)	(6,587)	(7,389)
Investing activities				
Purchase of property, plant and equipment	-	(1)	(3)	(1)
Interest received	-	15	-	29
Net cash (used in)/generated from investing activities	-	14	(3)	28
Financing activities				
Interest paid	-	(1)	-	(2)
Repayment of finance lease obligation	(1)	-	(1)	-
Proceeds for issue of placement shares	-	(46)	-	(46)
Net cash used in financing activities	(1)	(47)	(1)	(48)
Net decrease in cash and cash equivalents	(796)	(3,047)	(6,591)	(7,409)
Cash and cash equivalents at beginning of the period	2,373	7,004	8,305	11,363
Effect of exchange rate fluctuations on cash and cash equivalents	(20)	(43)	(157)	(40)
Cash and cash equivalents at end of the period	1,557	3,914	1,557	3,914

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

Loss for the period

Other comprehensive loss for the period

Exchange differences arising from translation of foreign operations

Total comprehensive loss for the period

Bal at 30/09/2019

139,508	18,384	(299)	(1,664)	(1,321)	15,100	(146,239)	8,369
-	-	-	-	-	-	104	104
-	-	-	(176)	-	(176)	-	(176)
-	-	-	(176)	-	(176)	104	(72)
139,508	18,384	(299)	(1,840)	(1,321)	14,924	(146,135)	8,297
-	-	-	-	-	-	(304)	(304)
-	-	-	(115)	-	(115)	-	(115)
-	-	-	(115)	-	(115)	(304)	(419)
139,508	18,384	(299)	(1,955)	(1,321)	14,809	(146,439)	7,878

COMPANY

Bal at 01/04/2019

Total comprehensive loss for the period

Bal at 30/06/2019

Total comprehensive loss for the period

Bal at 30/09/2019

139,508	18,384	(299)	-	(1,321)	16,764	(143,762)	12,510
-	-	-	-	-	-	(228)	(228)
139,508	18,384	(299)	-	(1,321)	16,764	(143,990)	12,282
-	-	-	-	-	-	(83)	(83)
139,508	18,384	(299)	-	(1,321)	16,764	(144,073)	12,199

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

Loss for the period

Other comprehensive loss

Disposal of subsidiaries

Purchase of treasury shares

Total comprehensive loss for the period

Bal at 30/09/2018

139,508	18,384	-	267	(1,321)	17,330	(141,958)	14,880
-	-	-	-	-	-	603	603
-	-	-	(1,544)	-	(1,544)	-	(1,544)
-	-	-	73	-	73	-	73
-	-	-	(1,471)	-	(1,471)	603	(868)
139,508	18,384	-	(1,204)	(1,321)	15,859	(141,355)	14,012
-	-	-	-	-	-	(2,095)	(2,095)
-	-	-	(520)	-	(520)	-	(520)
-	-	(46)	-	-	(46)	-	(46)
-	-	(46)	(520)	-	(566)	(2,095)	(2,661)
139,508	18,384	(46)	(1,724)	(1,321)	15,293	(143,450)	11,351

COMPANY

Bal at 01/04/2018

Total comprehensive loss for the period

Bal at 30/06/2018

Total comprehensive loss for the period

Contributions by owners

Purchase of treasury shares

Total contribution by owners

Bal at 30/09/2018

139,508	18,384	-	-	(1,321)	17,063	(129,989)	26,582
-	-	-	-	-	-	(327)	(327)
139,508	18,384	-	-	(1,321)	17,063	(130,316)	26,255
-	-	-	-	-	-	(413)	(413)
-	-	(46)	-	-	(46)	-	(46)
-	-	(46)	-	-	(46)	-	(46)
139,508	18,384	(46)	-	(1,321)	17,017	(130,729)	25,796

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

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

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

On 14 October 2019, the Company completed the issuance and allotment of the 64,910,578 Adjustment Shares to Yiguo. Following Completion, the total number of Shares in the Company has increased from 719,724,822 Shares to 784,635,400 Shares.

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 :

	<u>No. of Shares</u>
As at 01/04/2019 & 30/09/2019	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 reported on.

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

No. 1 Notes to Financial Statements**(e)****Note 1 - Investment securities**

Equity securities (unquoted) designated at fair value through other profit or loss ("FVPL") pertains to investment in Harvest Seasons Pte Ltd. As at 30 September 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 64,910,578 adjustment 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. These adjustment shares have been issued and allotted on 14 October 2019.

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. There is no significant impact on adoption.

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

	Group		Group		Group		Group	
	Second Quarter Ended		Second Quarter Ended		Half Year		Half Year	
	(Continuing operation)		(Including discontinued operation)		(Continuing operation)		(Including discontinued operation)	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Basic EPS								
Loss attributable to shareholders	(304)	(2,046)	(304)	(2,095)	(200)	(2,887)	(200)	(1,492)
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	713,362	719,641	713,362	719,641	713,362	719,683	713,362	719,683
per ordinary share, in cents :								
- basic	(0.0426)	(0.2843)	(0.0426)	(0.2911)	(0.0280)	(0.4011)	(0.0280)	(0.2073)
Diluted EPS								
Loss attributable to shareholders	(304)	(2,046)	(304)	(2,095)	(200)	(2,887)	(200)	(1,492)
Weighted average number of ordinary shares applicable to diluted earnings per share ('000)	713,362	719,641	713,362	719,641	713,362	719,683	713,362	719,683
Loss per ordinary share, in cents :								
- fully diluted	(0.0426)	(0.2843)	(0.0426)	(0.2911)	(0.0280)	(0.4011)	(0.0280)	(0.2073)

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

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-Sep-19 cents	As at 31-Mar-19 cents
Group	1.10	1.17
Company	1.71	1.75
No of issued shares ('000)	# 713,362	713,362

Note :

* As at 30 September 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 September 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.

2Q19/20 vs.2Q18/19

Material fluctuation in profit and loss and cash flow items: -

- 1 The Group's revenue for 2Q19/20 was \$1.95 million compared to \$14.25 million for 2Q18/19. The decrease was mainly attributed to the Group's decision and subsequent execution to shift its focus from growing revenue at uncertain margin to ensuring sustainable growth with more certain margin. To this end, the Group has reorganised its operation team and readjusted its strategic priorities to execute the aforementioned direction shift, which was effected in September 2019. The decrease in revenue reflected the execution results of such direction shift. The sales to Shanghai Yiguo E-Commerce Co. Ltd and its related companies ("Yiguo") constituted 15% and 42% of the Group's revenue for 2Q19/20 and 2Q18/19 respectively.
- 2 Gross profit for 2Q19/20 was \$0.05 million (gross margin of 3%) compared to gross loss of \$1.46 million (gross margin of -10%) for 2Q18/19. The negative gross margin was mainly due to seasonally low pricing of certain key products in China for 2Q18/19.
- 3 Other income for 2Q19/20 was \$0.16 million compared to \$0.50 million for 2Q18/19. The was due to higher foreign exchange gain recognised for 2Q18/19 due to the strengthening of USD.
- 4 The selling and distribution expenses ("S&D") and administrative expenses ("Admin") for 2Q19/20 were \$0.26 million and \$0.25 million compared to \$0.40 million and \$0.68 million for 2Q18/19 respectively. The S&D and Admin expenses were lower for 2Q19/20 due to cost reduction measures undertaken to streamline the Group's operations.
- 5 Loss from continuing operations before fair value adjustment on contingent shares for the period: -
The Group's loss from continuing operations before fair value adjustment on contingent shares before tax for 2Q19/20 was \$0.30 million compared to a loss of \$2.05 million for 2Q18/19. The reason was mainly due to items (2) and (4) above.
- 6 Fair value loss on financial liability of \$0.65 million for 2Q19/20 from contingent issuance of shares was due to fair value adjustment arising from an increase in the share price of the Company.
- 7 Loss from continuing operations after fair value adjustment on contingent shares for the period: -
The Group's loss from continuing operations after fair value adjustment on contingent shares before tax for 2Q19/20 was \$0.95 million compared to a loss of \$2.05 million for 2Q18/19. The reason was mainly due to items (2),(4) and (6) above.
- 8 Loss from discontinued operations for the period: -
The Group's profit from discontinued operations for 2Q19/20 was nil compared to a loss of \$0.05 million for 2Q18/19.
- 9 Total comprehensive loss for the period: -
The Group's total comprehensive loss after tax for 2Q19/20 was \$1.07 million compared to \$2.62 million for 2Q18/19.
- 10 Operating cash flow: -
The Group's net cash used in operating activities for 2Q19/20 was \$0.79 million compared to \$3.01 million for 2Q18/19. The was due to items (2) and (4) and working capital changes.

1HY19/20 vs.1HY18/19

- 11 The Group's revenue for 1HY19/20 was \$7.35 million compared to \$30.19 million for 1HY18/19 mainly due to reasons as explained in item (1) above. The sales to Yiguo constituted 28% and 42% of the Group's revenue for 1HY19/20 and 1HY18/19 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.

- 12 Gross profit for 1HY19/20 was \$0.71 million (gross margin of 10%) compared to gross loss of \$1.09 million (gross margin of -4%) for 1HY18/19. The negative gross margin was mainly due to seasonally low pricing of certain key products in China for 1HY18/19.
- 13 Other income for 1HY19/20 was \$0.21 million compared to \$0.51 million for 1HY18/19 due to higher foreign exchange gain recognised in 1HY18/19 due to the strengthening of USD.
- 14 S&D and Admin expenses for 1HY19/20 were \$0.53 million and \$0.59 million compared to \$0.87 million and \$1.43 million for 1HY18/19 respectively. The S&D and Admin expenses were lower for 1HY19/20 due to cost reduction measures undertaken to streamline the Group's operations.
- 15 Loss from continuing operations before fair value adjustment on contingent shares for the period: -
The Group's loss from continuing operations before fair value adjustment on contingent shares before tax for 1HY19/20 was \$0.20 million compared to a loss of \$2.89 million for 1HY18/19. The reason was mainly due to items (12) and (14) above.
- 16 Fair value loss on financial liability of \$0.65 million for 1HY19/20 from contingent issuance of shares was due to fair value adjustment arising from an increase in the share price of the Company.
- 17 Loss from continuing operations after fair value adjustment on contingent shares for the period: -
The Group's loss from continuing operations after fair value adjustment on contingent shares before tax for 1HY19/20 was \$0.85 million compared to a loss of \$2.89 million for 1HY18/19. The reason was mainly due to items (12) and (14) above.
- 18 Loss from discontinued operations for the period: -
The Group's profit from discontinued operations for 1HY19/20 was nil compared to a profit of \$1.39 million for 1HY18/19. This was mainly due to a gain of \$1.54 million recognised from the disposal of subsidiaries in USA for 1HY18/19.
- 19 Total comprehensive loss for the period: -
The Group's total comprehensive loss after tax for 1HY19/20 was \$1.14 million compared to \$3.48 million for 1HY18/19.
- 20 Operating cash flow: -
The Group's net cash outflow from operating activities for 1HY19/20 was \$6.59 million compared to \$7.39 million for 1HY18/19. This was due to items (12) and (14) and working capital changes.

30 September 2019 vs.31 March 2019

- 21 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 items (10) and (20) 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 VAT refundable.
 - (d) Increase in deposits and prepayments was mainly due to advances to Yiguo for purchases.
 - (e) Increase in financial liability was due to fair value adjustment on contingent issuance of shares arising from an increase in the share price of the Company.
 - (f) Decrease in trade payables was mainly due to repayment to suppliers.
 - (g) Increase in other payables and accruals was mainly due to advances from Yiguo during this quarter end.

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

Amid intensified challenges represented by the evolving market conditions, particularly in the broad context of pressures on the PRC economy, the Group anticipates that the aforementioned strategic direction shift to focus on businesses with more certain margin over any business with uncertain margin will likely have an unfavorable impact on the short term revenue for current FY19/20 and as a result, whole year revenue for FY19/20 will not achieve year on year growth from that of FY 18/19.

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 fluctuations and other non-operation related factors, as well as our comments in Note 9, the Group expects:

- (i) Operating results to be at breakeven level for the current FY ending 2019/2010; and
- (ii) 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 had obtained a general mandate from shareholders for Interested Person Transactions ("IPT") on 11 January 2019 and the Group had obtained shareholders' approval to renew the IPT mandate as at Annual General Meeting held on 30 July 2019.

The aggregate value of interested person transactions entered into during the reporting period ended 30 September 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)
Shanghai Yiguo E-Commerce Co. Ltd and its related entities: -		
<i>Sales to</i>	2060	2066
<i>Service received</i>	20	20
<i>Advances to</i>	8,066	8,066
<i>Advances from</i>	388	388

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 September 2019 to be false or misleading, in any material aspect.

BY ORDER OF THE BOARD

Mr Zhang Ye
Executive Director and Chief Executive Officer
12 November 2019