



Third Quarter Financial Statements Announcement for the Period Ended 31-Dec-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		Q-o-Q Change	Group		Y-o-Y Change
	Third Quarter Ended 31-Dec-19	31-Dec-18		YTD 31-Dec-19	31-Dec-18	
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
<u>Continuing operations</u>						
Revenue	6,985	20,326	-66%	14,338	50,513	-72%
Cost of sales	(6,654)	(20,782)	-68%	(13,298)	(52,062)	-74%
Gross profit	331	(456)	n.m	1,040	(1,549)	n.m
Other income	6	16	-63%	82	387	-79%
Selling & Distribution costs	(273)	(441)	-38%	(800)	(1,311)	-39%
Administrative expenses	(207)	(834)	-75%	(797)	(2,265)	-65%
Other expenses	(244)	(138)	77%	(112)	-	100%
Finance costs	-	(1)	-100%	-	(3)	-100%
	(387)	(1,854)	-79%	(587)	(4,741)	-88%
Fair value change on financial liability arising from contingent issuance of shares	(974)	-	100%	(1,623)	-	100%
Loss from continuing operations for the period before income tax	(1,361)	(1,854)	-27%	(2,210)	(4,741)	-53%
Income tax expense	-	-	n.m	-	-	n.m
Loss from continuing operations for the period, net of income tax	(1,361)	(1,854)	-27%	(2,210)	(4,741)	-53%
<u>Discontinued operations</u>						
Profit from discontinued operations for the period, net of income tax	-	-	n.m	-	1,395	-100%
Loss for the period	(1,361)	(1,854)	-27%	(2,210)	(3,346)	-34%
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	38	(19)	n.m	(253)	(466)	-46%
Total comprehensive loss for the period	(1,323)	(1,873)	-29%	(2,463)	(5,356)	-54%
<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	(5)	(11)		(15)	(39)	
- Amortisation of intangible assets	-	(12)		-	(37)	
- Interest expenses	-	(1)		-	(3)	
- Inventories written off	-	(10)		-	(10)	
- Other receivables written off	-	-		-	(147)	
- Allowance for impairment loss on trade receivables	-	(187)		-	(187)	
- Allowance for obsolete stock	-	(10)		-	(10)	
Other income included:						
- Government grant	-	5		-	58	
- Interest income	-	-		1	34	
- Other income	-	5		63	8	
- Foreign exchange gain, net	-	-		-	269	
- Franchise income	6	6		18	18	
	6	16		82	387	

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

	Group		Company	
	As at 31-Dec-19	As at 31-Mar-19	As at 31-Dec-19	As at 31-Mar-19
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Subsidiaries	-	-	20,596	15,156
Investment securities	-	-	-	-
Property, plant and equipment	21	38	-	-
Total non-current assets	21	38	20,596	15,156
Current assets				
Cash and cash equivalents	1,392	8,305	11	36
Trade receivables	17,054	23,242	-	-
Other receivables	1,814	423	-	8
Deposits and prepayments	3,568	2,320	19	30
Inventories	4,777	5	-	-
Total current assets	28,605	34,295	30	74
Total assets	28,626	34,333	20,626	15,230
Equity attributable to equity holders of the Company				
Share capital	141,887	139,508	139,508	139,508
Other reserves	16,168	15,100	20,464	16,764
Accumulated losses	(148,449)	(146,239)	(145,915)	(143,762)
Total equity	9,606	8,369	14,057	12,510
Non-current liabilities				
Finance lease obligation	8	8	-	-
Financial liability arising from contingent issuance of shares	-	2,077	-	2,077
Total non-current liabilities	8	2,085	-	2,077
Current liabilities				
Trade payables	11,036	21,979	-	-
Other payables and accruals	7,974	1,897	6,570	643
Finance lease obligation	2	3	-	-
Total current liabilities	19,012	23,879	6,570	643
Total liabilities	19,020	25,964	6,570	2,720
Total liabilities and equity	28,626	34,333	20,627	15,230

(Note 1)

(Note 2)

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

		(\$ '000)			
		As At 31-Dec-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	
	Third Quarter Ended		YTD	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Loss from continuing operations before tax	(1,361)	(1,854)	(2,210)	(4,741)
Profit from discontinued operations before tax	-	-	-	1,395
Adjustments for:				
Interest expense	-	1	-	3
Interest income	-	(5)	(1)	(34)
Depreciation of property, plant and equipment	5	11	15	39
Allowance for impairment loss on inventories	-	-	-	10
Inventories written off	-	10	-	147
Other receivables written off	-	10	-	10
Write back of provision for other receivables	-	-	-	-
Allowance for impairment loss on trade receivables	-	187	-	187
Amortisation of intangible asset	-	12	-	37
Foreign exchange	-	-	108	(269)
Gain on disposal of subsidiaries	-	-	-	(1,544)
Fair value changes on financial liability arising from contingent issuance of shares	974	-	1,623	-
Operating loss before working capital changes	(382)	(1,628)	(465)	(4,760)
Change in working capital:				
Trade and other receivables	(917)	(6,531)	3,549	(6,651)
Inventories	(4,777)	2,990	(4,772)	3,793
Trade and other payables	5,868	5,603	(4,866)	752
Cash used in operations	(208)	434	(6,554)	(6,866)
Income tax refund	-	-	-	-
Net cash (used in)/generated from operating activities	(208)	434	(6,554)	(6,866)
Investing activities				
Purchase of property, plant and equipment	-	-	(3)	34
Interest received	-	5	1	(1)
Net cash generated from/(used in) investing activities	-	5	(2)	33
Financing activities				
Interest paid	-	(1)	-	(3)
Repayment of finance lease obligation	(1)	(2)	(1)	(2)
Purchase of treasury shares	-	(253)	-	(299)
Net cash used in financing activities	(1)	(256)	(1)	(304)
Net (decrease)/increase in cash and cash equivalents	(209)	183	(6,557)	(7,137)
Cash and cash equivalents at beginning of the period	1,557	3,914	8,305	11,363
Effect of exchange rate fluctuations on cash and cash equivalents	44	(24)	(356)	(153)
Cash and cash equivalents at end of the period	1,392	4,073	1,392	4,073

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

Loss for the period

Other comprehensive loss for the period

Exchange differences arising from translation of foreign operations

Issuance of adjustment shares

Total comprehensive loss for the period

Bal at 31/12/2019

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
-	-	-	-	-	-	(953)	(953)
-	-	-	(115)	-	(115)	-	(115)
-	-	-	(115)	-	(115)	(953)	(1,068)
139,508	18,384	(299)	(1,955)	(1,321)	14,809	(147,088)	7,229
-	-	-	-	-	-	(1,361)	(1,361)
-	-	-	38	-	38	-	38
2,379	-	-	-	1,321	1,321	-	3,700
2,379	-	-	38	1,321	1,359	(1,361)	2,377
141,887	18,384	(299)	(1,917)	-	16,168	(148,449)	9,606

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

Total comprehensive loss for the period

Issuance of adjustment shares

Bal at 31/12/2019

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
-	-	-	-	-	-	(732)	(732)
139,508	18,384	(299)	-	(1,321)	16,764	(144,722)	11,550
-	-	-	-	-	-	(1,193)	(1,193)
-	-	-	-	3,700	3,700	-	3,700
139,508	18,384	(299)	-	2,379	20,464	(145,915)	14,057

- 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

Exchange differences arising from translation of foreign operations

Total comprehensive loss for the period

Purchase of treasury shares

Total contribution by the owners

Bal at 30/09/2018

Loss for the period

Other comprehensive loss

Exchange differences arising from translation of foreign operations

Total comprehensive loss for the period

Purchase of treasury shares

Total contribution by the owners

Bal at 31/12/2018

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)
-	-	-	(520)	-	(520)	(2,095)	(2,615)
-	-	(46)	-	-	(46)	-	(46)
-	-	(46)	-	-	(46)	-	(46)
139,508	18,384	(46)	(1,724)	(1,321)	15,293	(143,450)	11,351
-	-	-	-	-	-	(1,854)	(1,854)
-	-	-	(19)	-	(19)	-	(19)
-	-	(253)	-	-	(253)	-	(253)
-	-	(253)	-	-	(253)	-	(253)
139,508	18,384	(299)	(1,743)	(1,321)	15,021	(145,304)	9,225

COMPANY

Bal at 01/04/2018

Total comprehensive loss for the period

Bal at 30/06/2018

Total comprehensive loss for the period

Purchase of treasury shares

Total contribution by owners

Bal at 30/09/2018

Total comprehensive loss for the period

Purchase of treasury shares

Total contribution by owners

Bal at 31/12/2018

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
-	-	-	-	-	-	(464)	(464)
-	-	(253)	-	-	(253)	-	(253)
-	-	(253)	-	-	(253)	-	(253)
139,508	18,384	(299)	-	(1,321)	16,764	(131,193)	25,079

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 31 December 2019, the total number of ordinary shares issued by the Company was 784,635,371 (31 March 2019: 719,724,793).

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

There were 166,666,667 warrants outstanding as at 31 December 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 :

	<u>No. of Shares</u>
As at 1 April 2019	713,361,995
On 14 October 2019, number of adjustment shares issued to Yiguo	64,910,578
As at 31 December 2019	<u>778,272,573</u>
Total purchase of treasury shares to-date	<u>6,362,798</u>

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 31 December 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 31 December 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 31 December 2019, management has ascertained the fair value to be zero.

Note 2 - Financial liability arising from contingent issuance of shares

Financial liability 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 dividends.

	Group		Group		Group		Group	
	Third Quarter Ended		Third Quarter Ended		YTD		YTD	
	(Continuing operation)		(Including discontinued operation)		(Continuing operation)		(Including discontinued operation)	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Basic EPS								
Loss attributable to shareholders	(1,361)	(1,854)	(1,361)	(1,854)	(2,210)	(4,741)	(2,210)	(3,346)
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	769,100	715,532	769,100	715,532	732,009	718,294	732,009	718,294
per ordinary share, in cents :								
- basic	(0.1770)	(0.2591)	(0.1770)	(0.2591)	(0.3019)	(0.6600)	(0.3019)	(0.4658)
Diluted EPS								
Loss attributable to shareholders	(1,361)	(1,854)	(1,361)	(1,854)	(2,210)	(4,741)	(2,210)	(3,346)
Weighted average number of ordinary shares applicable to diluted earnings per share ('000)	769,100	715,532	769,100	715,532	732,009	718,294	732,009	718,294
Loss per ordinary share, in cents :								
- fully diluted	(0.1770)	(0.2591)	(0.1770)	(0.2591)	(0.3019)	(0.6600)	(0.3019)	(0.4658)

As at 31 December 2019, 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 31 December 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 31-Dec-19 cents	As at 31-Mar-19 cents
Group	1.23	1.17
Company	1.81	1.75
No of issued shares ('000)	# 778,273	713,362

Note :

As at 31 December 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 31 December 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.

3Q2019/20 vs.3Q2018/19

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

- 1 The Group's revenue for 3Q2019/20 was \$6.99 million compared to \$20.33 million for 3Q2018/19. 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. The sales to Shanghai Yiguo E-Commerce Co. Ltd and its related companies ("Yiguo") constituted 22% and 70% of the Group's revenue for 3Q2019/20 and 3Q2018/19 respectively.
- 2 Gross profit for 3Q2019/20 was \$0.33 million (gross margin of 5%) compared to gross loss of \$0.46 million (gross margin of -2%) for 3Q2018/19. The negative gross margin was mainly due to seasonally low pricing of certain key products in China for 3Q2018/19.
- 3 Other income for 3Q2019/20 was \$0.01 million compared to \$0.02 million for 3Q2018/19.
- 4 The selling and distribution expenses ("S&D") and administrative expenses ("Admin") for 3Q2019/20 were \$0.27 million and \$0.21 million compared to \$0.44 million and \$0.84 million for 3Q2018/19 respectively. The S&D and Admin expenses were lower for 3Q2019/20 due to cost reduction measures undertaken to streamline the Group's operations. Other expenses for 3Q2019/20 was \$0.23 million compared to \$0.14 million for 3Q2018/19, the increase in other expenses was due to higher net foreign exchange losses recognised in 3Q2019/20 due to the weakening of USD.
- 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 3Q2019/20 was \$0.39 million compared to a loss of \$1.85 million for 3Q2018/19. The reason was mainly due to items (2) and (4) above.
- 6 Fair value loss on financial liability of \$0.97 million for 3Q2019/20 was due to fair value adjustment upon the completion of issuance/allotment of the adjustment shares to Yiguo on 14 October 2019.
- 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 3Q2019/20 was \$1.36 million compared to a loss of \$1.85 million for 3Q2018/19. The reason was mainly due to items (2),(4) and (6) above.
- 8 Total comprehensive loss for the period: -
The Group's total comprehensive loss after tax for 3Q2019/20 was \$1.32 million compared to \$1.87 million for 3Q2018/19.
- 9 Operating cash flow: -
The Group's net cash used in operating activities for 3Q2019/20 was \$0.21 million compared to net cash generated from operating activities of \$0.43 million for 3Q2018/19. The was due to items (2) and (4) and working capital changes.

YTD2019/20 (9 months) vs.YTD2018/19 (9 months)

- 10 The Group's revenue for YTD2019/20 was \$14.34 million compared to \$50.51 million for YTD2018/19 mainly due to reasons as explained in item (1) above. The sales to Yiguo constituted 25% and 53% of the Group's revenue for YTD2019/20 and YTD2018/19 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.

- 11 Gross profit for YTD 2019/20 was \$1.04 million (gross margin of 7%) compared to gross loss of \$1.55 million (gross margin of -3%) for YTD2018/19. The negative gross margin was mainly due to seasonally low pricing of certain key products in China for YTD2018/19.
- 12 Other income for YTD2019/20 was \$0.08 million compared to \$0.39 million for YTD2018/19 due to higher net foreign exchange gain recognised in YTD2018/19 due to the strengthening of USD during that period.
- 13 S&D and Admin expenses for YTD2019/20 were \$0.80 million and \$0.80 million compared to \$1.31 million and \$2.27 million for YTD2018/19 respectively. The S&D and Admin expenses were lower for YTD2019/20 due to cost reduction measures undertaken to streamline the Group's operations. Other expenses was \$0.10 million for YD2019/20 compared to Nil for YTD 2018/19 due to higher net foreign exchange losses recognised in YTD 2019/20 due to the weakening of USD.
- 14 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 YTD2019/20 was \$0.59 million compared to a loss of \$4.74 million for YTD2018/19. The reason was mainly due to items (11) and (13) above.
- 15 Fair value loss on financial liability of \$1.62 million for YTD2019/20 was due to fair value adjustment upon the completion of issuance/allotment of the adjustment shares to Yiguo on 14 October 2019.
- 16 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 YTD2019/20 was \$2.21 million compared to a loss of \$4.74 million for YTD2018/19. The reason was mainly due to items (11) and (13) above.
- 17 Loss from discontinued operations for the period: -
The Group's profit from discontinued operations for YTD2019/20 was nil compared to a profit of \$1.39 million for YTD2018/19. This was mainly due to a gain recognised from the disposal of subsidiaries in USA for YTD2018/19.
- 18 Total comprehensive loss for the period: -
The Group's total comprehensive loss after tax for YTD2019/20 was \$2.46 million compared to \$5.36 million for YTD2018/19.
- 19 Operating cash flow: -
The Group's net cash outflow from operating activities for YTD2019/20 was \$6.56 million compared to \$6.87 million for YTD2018/19. This was due to items (11) and (13) and working capital changes.

31 December 2019 vs.31 March 2019

- 20 Material fluctuations in balance sheet items: -
 - (a) The decrease in cash and cash equivalent was mainly due to net cash used in operating activities as stated in items (9) and (19) 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 inventories was mainly due to goods purchased towards quarter end.
 - (f) Decrease in financial liability was due to de-recognition of financial liability upon issuance of adjustments shares to Yiguo on 14 October 2019.
 - (g) Decrease in trade payables was mainly due to repayment to suppliers.
 - (h) 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.

In No. 10 of the financial results announcement dated 12 November 2019, the Board had stated:

"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 2019/2020; and
- (ii) To dedicate more efforts to increase SunMoon brand exposure."

While the Group has been reorganising and focusing on businesses with positive margin, the Group had not been able to raise its revenues meaningfully. As such the operating results for the current FY ending 2019/2020 is unlikely to be at breakeven level.

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 main business of the Group is in agri-food including delivering value added fresh fruit products in China and South East Asia. The Group will continue to focus on businesses with positive margin as part of its strategy to raise revenues.

Due to COVID-19 outbreak in China and other Asian regions starting from late part of January, with the measures taken by governments in affected regions, including lockdown, restriction of travel, interruption of logistics, we predict that our business results in Q4 2019/2020 (January to March) will be negatively impacted. Such negative impact on business results will likely continue into Q1 2020/2021 (April to June), nevertheless to lesser extent, during which period we will adjust our business focus from primarily on China-heavy supply chain services to international businesses, aiming at making up for such negative impact in China. Based on the information available to us at this juncture, we do not foresee negative impact from COVID-19 to continue into Q3 2020/2021 and Q4 2020/2021, where we expect business to be back to normal, on way of executing our strategic priorities.

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 2018 and the Group had obtained shareholders' approval to renew the IPT mandate as at the Annual General Meeting held on 30 July 2019.

The aggregate value of interested person transactions entered into during the reporting period ended 31 December 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>	3,631	3,631
<i>Purchased from</i>	4,200	4,200
<i>Service received</i>	45	45
<i>Advances to</i>	14,814	14,814
<i>Advances from</i>	7,924	7,924

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

BY ORDER OF THE BOARD

Mr Zhang Ye
Executive Director and Chief Executive Officer
13 February 2020