
First Quarter Financial Statements Announcement for the Period Ended 30-Jun-2020

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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"

\$- SGD

	Group		
	First Quarter Ended		
	30-Jun-20	30-Jun-19	Change
	\$ '000	\$ '000	%
Revenue	8,500	5,400	57%
Cost of sales	(8,135)	(4,742)	72%
Gross profit	365	658	-45%
Other income	59	48	23%
Selling & Distribution costs	(317)	(265)	20%
Administrative expenses	(193)	(337)	-43%
Other expenses	(34)	-	n.m
Finance costs	(2)	-	n.m
(Loss)/profit for the period before income tax	(122)	104	n.m
Income tax expense	-	-	
(Loss)/profit for the period,net of income tax	(122)	104	n.m
 (Loss)/profit for the period	 (122)	 104	 n.m
Other comprehensive income :			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising from translation of foreign operations	(361)	(176)	105%
Total comprehensive loss for the period	(483)	(72)	571%

(Loss)/profit from for the period included the following:

- Depreciation of property, plant & equipment	(4)	(6)
- Loss on disposal property,plant & equipment	(2)	-
- Interest expenses	(2)	-

Other income included:

- Government grant	40	1
- Other income	13	-
- Foreign exchange gain	-	41
- Franchise income	6	6
	59	48

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

	Group		Company	
	As at	As at	As at	As at
	30-Jun-20	31-Mar-20	30-Jun-20	31-Mar-20
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Subsidiaries	-	-	7,381	7,438
Investments securities	-	-	-	-
Property, plant and equipment	10	17	-	-
Total non-current assets	10	17	7,381	7,438
Current assets				
Cash and cash equivalents	1,177	1,539	23	47
Trade receivables	12,106	7,163	-	-
Other receivables	2,924	5,225	3	15
Prepayments	668	880	4	20
Inventories	492	2,755	-	-
Total current assets	17,367	17,562	30	82
Total assets	17,377	17,579	7,411	7,520
Equity attributable to equity holders of the Company				
Share capital	141,887	141,887	141,887	141,887
Other reserves	16,000	16,360	18,086	18,085
Accumulated losses	(150,634)	(150,511)	(152,956)	(152,797)
Total equity	7,253	7,736	7,017	7,175
Non-current liabilities				
Lease liability	6	6	-	-
Total non-current liabilities	6	6	-	-
Current liabilities				
Lease liability	3	3	-	-
Bank loan	592	-	-	-
Trade payables	7,940	8,739	-	-
Other payables	302	256	394	345
Other liabilities	1,281	839	-	-
Total current liabilities	10,118	9,837	394	345
Total liabilities	10,124	9,843	394	345
Total liabilities and equity	17,377	17,579	7,411	7,520

(Note 1)

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

		(\$ '000)			
		As At	30-Jun-20	As At	31-Mar-20
		Secured	Unsecured	Secured	Unsecured
Bank loans		-	592	-	-

Details of any collateral

A bank loan of RMB 3,000,000 (or S\$ 592,000) at interest rate of 4.5025% per annum was obtained from China Construction Bank under the personnel guarantee of a director. The loan would be due on 26 May 2021.

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	
	First Quarter Ended	
	30-Jun-20	30-Jun-19
	\$'000	\$'000
Operating activities		
(Loss)/profit before tax	(122)	104
Adjustments for:		
Interest expense	2	-
Depreciation of property, plant and equipment	4	6
Other income	(53)	-
Loss on disposal property, plant and equipment	2	-
Foreign exchange	(360)	(204)
Operating loss before working capital changes	(527)	(94)
Change in working capital:		
Trade and other receivables	(2,430)	918
Inventories	2,263	5
Trade and other payables	(311)	(6,784)
Cash used in operations	(1,005)	(5,955)
Income tax refund	-	-
Net cash generated used in operating activities	(1,005)	(5,955)
Investing activities		
Purchase of property, plant and equipment	-	(3)
Proceeds from disposal of property, plant and equipment	1	-
Net cash generated from/(used in) investing activities	1	(3)
Financing activities		
Interest paid	(2)	-
Bank loan	592	-
Repayment of finance lease obligation	(1)	(1)
Net cash generated from/(used) in financing activities	589	(1)
Net decrease in cash and cash equivalents	(415)	(5,959)
Cash and cash equivalents at beginning of the period	1,539	8,305
Effect of exchange rate fluctuations on cash and cash equivalents	53	27
Cash and cash equivalents at end of of the period	1,177	2,373

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

GROUP

Bal at 01/04/2020

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 30/06/2020

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
141,887	18,384	(299)	(1,725)	-	16,360	(150,511)	7,736
-	-	-	-	-	-	(122)	(122)
-	-	-	(361)	-	(361)	-	(361)
-	-	-	(361)	-	(361)	(122)	(483)
141,887	18,384	(299)	(2,086)	-	15,999	(150,633)	7,253

COMPANY

Bal at 01/04/2020

Total comprehensive loss for the period

Bal at 30/06/2020

141,887	18,384	(299)	-	-	18,085	(152,797)	7,175
-	-	-	-	-	-	(158)	(158)
141,887	18,384	(299)	-	-	18,085	(152,955)	7,017

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

GROUP

Bal at 01/04/2019

Profit for the period

Other comprehensive loss

Disposal of subsidiaries

Exchange differences arising from translation of foreign operations

Total comprehensive profit/(loss) for the period

Bal at 30/06/2019

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
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

COMPANY

Bal at 01/04/2019

Total comprehensive loss for the period

Bal at 30/06/2019

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

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 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 2020, the total number of ordinary shares issued by the Company was 784,635,371 (31 March 2020: 784,635,371).

As at 30 June 2020, there were 6,362,798 treasury shares (31 March 2020: 6,362,798)

No. 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current 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 01/04/2020 & 30/06/2020	778,272,573
Total purchase of treasury shares to date	<div style="border: 1px solid black; padding: 2px;">6,362,798</div>

No. 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares 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 June 2020.

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

There are no subsidiary holdings for the quarter ended 30 June 2020.

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 which had been fully impaired as at 31 March 2020. As at 30 June 2020, management has ascertained the fair value to be zero.

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 2020.

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.

There were no changes in the accounting policies and methods of computation.

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-20	30-Jun-19	30-Jun-20	30-Jun-19
	\$ '000	\$ '000	\$ '000	\$ '000
Basic EPS				
(Loss)/profit attributable to shareholders	(122)	104	(122)	104
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	778,273	713,362	778,273	713,362
per ordinary share, in cents :				
- basic	(0.0157)	0.0146	(0.0157)	0.0146
Diluted EPS				
(Loss)/profit attributable to shareholders	(122)	104	(122)	104
	[^]	["]	[^]	["]
Weighted average number of ordinary shares applicable to diluted earnings per share ('000)	778,273	778,273	778,273	778,273
(Loss)/earning per ordinary share, in cents :				
- fully diluted	(0.0157)	0.0134	(0.0157)	0.0134

[^] As at 30 June 2020, 166,666,667 unlisted warrants at an exercise price of \$0.054, totaling \$9 million issued to Yiguo were not included in the computation of diluted earnings per share because they are anti-dilutive. The warrants have expired and remained unexercised by due date, on 3 July 2020.

["] As at 30 June 2019, the contingent shares to Yiguo were included in the computation of diluted earnings per share. The number of contingent shares of 64,911,000 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.

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-20	As at 31-Mar-20
	cents	cents
Group	0.93	0.99
Company	0.90	0.92
No of issued shares ('000)	# 778,273	778,273

Note :

[#] As at 30 June 2020 and 31 March 2020, 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 2020 and 31 March 2020 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.

1Q2020/21 vs.1Q2019/20

Material fluctuation in profit and loss and cash flow items :

- 1 Revenue for the Group increased from \$5.4 million in 1Q2019/20 to \$8.5 million in 1Q2020/21. The increase was mainly due to the expanding of products offerings in China markets, such as seafood, meat, and other food-related products since September 2019, as compared to only fresh fruits sales for 1Q2019/20. The sales to Shanghai Yiguo E-Commerce Co. Ltd and its related companies ("Yiguo") for 1Q2020/21 was 23% of the revenue compared to 33% of the revenue for 1Q2019/20.
- 2 Gross profit for 1Q2020/21 was \$0.37 million (gross margin of 4%) compared to gross profit of \$0.66 million (gross margin of 12%) in 1Q2019/20.
- 3 Other income for 1Q2020/21 were \$0.06 million compared to \$0.05 million in 1Q2019/20.

- 4 The selling and distribution expenses ("S&D") for 1Q2020/21 were \$0.32 million compared to \$0.27 million for 1Q2019/20.

The administrative expenses ("Admin") for 1Q2020/21 were \$0.19 million compared to \$0.34 million for 1Q2019/20.

The lower S&D and Admin expenses for 1Q2019/20 were due to cost control measures undertaken to streamline the Group's operation.

Other expenses for 1Q2020/21 were \$0.03 million compared to Nil for 1Q2019/20. Other expenses were mainly due to foreign exchange loss net of foreign exchange gain.

- 5 Loss/(profit) for the period: -
The Group's loss before tax for 1Q2020/21 was \$0.12 million compared to profit before tax of \$0.10 million for 1Q2019/20. The reason was mainly due to item (2) and (4) above.
- 6 Total comprehensive loss for the period: -
The Group's total comprehensive loss after tax for 1Q2020/21 was \$0.48 million compared to the total comprehensive loss of \$0.07 million for 1Q2019/20. This was explained in item (5) above.
- 7 Operating cash flow: -
The Group's net cash outflow from operating activities for 1Q2020/21 was \$1.00 million compared to \$5.96 million in 1Q2019/20. The decrease in the cash outflow was mainly due to the increase of cash inflow from trade and other payables and inventories offset by the increase of cash outflow from trade and other receivables.
- 8 Financing cash flow:-
The Group's net cash inflow from financing activities for 1Q2020/21 was \$0.6 million compared to Nil for 1Q2019/20. The increase in cash inflow was mainly due to bank loan of RMB 3 million (or \$0.6 million) borrowed from China Construction Bank in May 2020 (refer to No.1, page 3).

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.

As at 30 June 2020 vs. As at 31 March 2020

Material fluctuation in balance sheet items :

9(a) The decrease in cash and cash equivalent was mainly due to net cash outflow used in operating activities as stated in item (7) above.

(b) The details of trade receivables are as follow:

	30 Jun 2020 \$'000	31 Mar 2020 \$'000
Trade receivables -third parties	4,783	3,816
Allowance for impairment loss on third parties trade receivables	(1,717)	(1,817)
Sub-total	3,066	1,999
Trade receivables -related parties	10,620	6,605
Allowance for impairment loss on related parties trade receivables	(1,580)	(1,441)
Sub-total	9,040	5,164
Total	12,106	7,163

The increase in trade receivables were mainly due to increase credit sales to both third parties and related parties.

As per disclosed in the annual report note 2.1, the Group has entered into Repayment Plans with monthly instalment repayment (the "Repayment Plans") with the Yiguo Group in July 2020 for the repayment of balances comprising trade receivables, unfulfilled advances for purchases of goods (should the Group decide not to take delivery) and deposits totalling \$12,184,000 as at 30 June 2020. According to the Repayment Plans, these outstanding balances will be fully repaid by 31 March 2021.

It is noted that the trade receivables from related parties as at 31 March 2020 have been long outstanding. The group would like to update that the trade receivables together with the unfulfilled advances for purchases of goods from related parties have been reduced by approximately \$6.4 million from April to August 2020.

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.

(c) The details of other receivables are as follow:

	30 Jun 2020	31 Mar 2020
	\$'000	\$'000
GST/VAT receivables and others	273	797
Advance payment to Yiguo Related parties for purchases of goods	2,651	4,428
	2,924	5,225

For the advance payment to Yiguo Related parties of \$4.4 million for purchases of goods as of 31 March 2020, approximately \$1.8 million had been delivered during 1Q2020/21. The remaining outstanding unfulfilled delivery amount had been included in the Repayment plan.

(d) The decrease in inventories was a result of inventories being sold.

(e) The increase in bank loan was due to borrowing from China Construction bank in May 2020(refer to No.1 Page 3).

(f) The increase in trade payables was mainly due to increase in credit purchases.

(g) The details of other payables and other liabilities are as follow:

	30 Jun 2020	31 Mar 2020
	\$'000	\$'000
Deferred grant income	-	23
Other payables	302	256
Accrued operating expenses	440	393
Advances from related parties	414	423
Advances from third parties	427	-
	1,583	1,095

The increase in other payables and other liabilities were mainly due to the increase in advances from customers.

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 main business of the Group is in agri-food including delivering value added fresh produce 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.

The COVID-19 outbreak has resulted in significant disruption to all aspects of the Group's operations, including its supply chain as well as distribution.

Currently, we have no visibility on when things would return to normal. During this difficult time, we will continue to control our costs and streamline our supply chain management and expand the scope of the fulfillment of various types of fresh produce within the agri-product segment.

No. 11 Dividend

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Period

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the quarter, as the Group is still in accumulated loss position as of

No. 13 Interested Person Transactions

The Group had obtained shareholders' approval to renew the Interested Person Transactions ("IPT") on 29 September 2020.

The aggregate value of interested person transactions entered into during the reporting period ended 30 June 2020 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 and its related entities: -		
Sales to		1,961
Purchases from		485
Service received		36

*For clarity, as many of the interested person transactions were fall below \$100,000, therefore the disclosures include transactions each below \$100,000.

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 Board of Directors' assurance

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 interim financial results to be false or misleading, in any material aspect.

BY ORDER OF THE BOARD

Mr Zhang Ye
Executive Director and Chief Executive Officer
30 September 2020