



Third Quarter Financial Statements Announcement for the Period Ended 31-Dec-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 period.

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	Group			Group		
	Third Quarter Ended		Change	YTD		Change
	31-Dec-20	31-Dec-19		31-Dec-20	31-Dec-19	
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
Revenue	8,750	6,985	25%	22,453	14,338	57%
Cost of sales	(8,536)	(6,654)	28%	(21,523)	(13,298)	62%
Gross profit	214	331	-35%	930	1,040	-11%
Other income	27	6	350%	91	82	11%
Selling & Distribution costs	(266)	(273)	-3%	(808)	(800)	1%
Administrative expenses	(402)	(207)	94%	(727)	(797)	-9%
Other expenses	-	(244)	-100%	(84)	(112)	-25%
Finance costs	(29)	-	n.m	(38)	-	n.m
	(456)	(387)	18%	(636)	(587)	8%
Fair value change on financial liability arising from contingent issuance of shares	-	(974)	-100%	-	(1,623)	-100%
Loss for the period before income tax	(456)	(1,361)	-66%	(636)	(2,210)	-71%
Income tax expense	-	-	n.m	-	-	n.m
Loss for the period, net of income tax	(456)	(1,361)	-66%	(636)	(2,210)	-71%
Other comprehensive (loss)/ income :						
Items that may be reclassified subsequently to profit or loss:						
Exchange difference arising from translation of foreign operations	(229)	38	n.m	(53)	(253)	-79%
Total comprehensive loss for the period	(685)	(1,323)	-48%	(689)	(2,463)	-72%
<u>Loss for the period included the following:</u>						
- Depreciation of property, plant & equipment	(6)	(5)		(12)	(15)	
- Loss on disposal of property, plant and equipment	-	-		(2)	-	
- Interest expenses	(29)	-		(38)	-	
- Allowance for inventories obsolescence	(54)	-		(54)	-	
Other income included:						
- Government grant	9	-		58	-	
- Interest income	1	-		2	1	
- Reversal of impairment loss on other receivables	-	-		-	63	
- Franchise income	6	6		18	18	
- Other income	-	-		13	-	
- Foreign exchange gain	11	-		-	-	
	27	6		91	82	

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

	Group		Company	
	As at	As at	As at	As at
	31-Dec-20	31-Mar-20	31-Dec-20	31-Mar-20
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Subsidiaries	-	-	6,931	7,438
Investment securities	-	-	-	-
Property, plant and equipment	21	17	-	-
Total non-current assets	21	17	6,931	7,438
Current assets				
Cash and cash equivalents	1,106	1,539	16	47
Trade receivables	10,204	7,163	-	-
Other receivables	4,550	5,225	14	15
Deposits and prepayments	536	880	17	20
Inventories	1,022	2,755	-	-
Total current assets	17,418	17,562	47	82
Total assets	17,439	17,579	6,978	7,520
Equity attributable to equity holders of the Company				
Share capital	141,887	141,887	141,887	141,887
Other reserves	16,307	16,360	18,085	18,085
Accumulated losses	(151,147)	(150,511)	(153,522)	(152,797)
Total equity	7,047	7,736	6,450	7,175
Non-current liability				
Lease liability	4	6	-	-
Total non-current liability	4	6	-	-
Current liabilities				
Lease liability	3	3	-	-
Bank loan	607	-	-	-
Term loan	3,366	-	-	-
Trade payables	3,765	8,739	-	-
Other payables	611	256	145	5
Other liabilities	2,036	839	383	340
	10,388	9,837	528	345
Total liabilities	10,392	9,843	528	345
Total liabilities and equity	17,439	17,579	6,978	7,520

(Note 1)

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

		(\$ '000)			
		As At	31-Dec-20	As At	31-Mar-20
		Secured	Unsecured	Secured	Unsecured
Bank loan		-	607	-	-
Term loan		-	3,366	-	-

Details of any collateral***Bank loan***

A bank loan of RMB 3,000,000 (or \$ 607,000) 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.

Term loan

Term loan pursuant to the interest free loan agreement through its wholly owned subsidiary Shanghai SunMoon Supply Chain management Co.Ltd("SMFShanmai") with Jiangzhong Shiliao (Hubei)Technology Co., Ltd. for amount of RMB34,893,795 (approximately \$6,856,631) ("Interest Free Loan"). The loan will be disbursed via 7 tranches from 30 September 2020 to 31 March 2021.

On 30 September 2020, the first tranche of interest free loan amount of RMB 3,200,000(or \$647,000) was disbursed to SMFShanmai.

On 31 October 2020, the second tranche of interest free loan amount of RMB 7,180,000(or \$1,453,000) was disbursed to SMFShanmai.

On 30 November 2020, the third tranche of interest free loan amount of RMB 6,260,000(or \$1,266,000) was disbursed to SMFShanmai.

On 6 January 2021, the fourth tranche of interest free loan amount of RMB 4,800,000(or \$971,000) was disbursed to SMFShanmai.

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 31-Dec-20	31-Dec-19	YTD 31-Dec-20	31-Dec-19
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Loss before tax	(456)	(1,361)	(636)	(2,210)
Adjustments for:				
Interest expense	29	-	38	-
Interest income	(1)	-	(2)	(1)
Depreciation of property, plant and equipment	6	5	12	15
Allowance for Inventories obsolescence	54	-	54	-
Reversal of impairment loss on other receivables	-	-	-	(63)
Foreign exchange, net	(229)	-	(66)	171
Loss on disposal of property, plant and equipment	-	-	2	-
Fair value changes on financial liability arising from contingent issuance of shares	-	974	-	1,623
Operating loss before working capital changes	(597)	(382)	(598)	(465)
Change in working capital:				
Inventories	64	(4,777)	1,679	(4,772)
Trade receivables	(2,550)	5,009	(3,041)	11,978
Other receivables	(1,414)	(1,335)	675	(1,772)
Prepayment	13	(4,591)	344	(7,037)
Trade payables	(304)	(3)	(4,974)	(11,489)
Other payables	355	(570)	355	1,268
Other liabilities	1,098	6,441	1,197	5,735
Net cash used in operating activities	(3,335)	(208)	(4,363)	(6,554)
Investing activities				
Purchase of property, plant and equipment	-	-	(19)	(3)
Proceeds from disposal of property, plant and equipment	-	-	1	1
Net cash used in investing activities	-	-	(18)	(2)
Financing activities				
Interest paid	(29)	-	(38)	-
Repayment of lease liability	(1)	(1)	(2)	(1)
Bank loan	-	-	607	-
Term loan	2,722	-	3,366	-
Net cash provided by/(used in) financing activities	2,692	(1)	3,933	(1)
Net decrease in cash and cash equivalents	(643)	(209)	(448)	(6,557)
Cash and cash equivalents at beginning of the period	1,745	1,557	1,539	8,305
Effect of exchange rate fluctuations on cash and cash equivalents	4	44	15	(356)
Cash and cash equivalents at end of the period	1,106	1,392	1,106	1,392

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 capitalisation issues (d)(i) 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

Loss for the period

Other comprehensive income for the period

Exchange differences arising from translation of foreign operations

Total comprehensive income/(loss) for the period

Bal at 30/09/2020

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 31/12/2020

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
-	-	-	-	-	-	(58)	(58)
-	-	-	537	-	537	-	537
-	-	-	537	-	537	(58)	479
141,887	18,384	(299)	(1,549)	-	16,536	(150,691)	7,732
-	-	-	-	-	-	(456)	(456)
-	-	-	(229)	-	(229)	-	(229)
-	-	-	(229)	-	(229)	(456)	(685)
141,887	18,384	(299)	(1,778)	-	16,307	(151,147)	7,047

COMPANY

Bal at 01/04/2020

Total comprehensive loss for the period

Bal at 30/06/2020

Total comprehensive loss for the period

Bal at 30/09/2020

Total comprehensive loss for the period

Bal at 31/12/2020

141,887	18,384	(299)	-	-	18,085	(152,797)	7,175
-	-	-	-	-	-	(158)	(158)
141,887	18,384	(299)	-	-	18,085	(152,955)	7,017
-	-	-	-	-	-	(130)	(130)
141,887	18,384	(299)	-	-	18,085	(153,085)	6,887
-	-	-	-	-	-	(437)	(437)
141,887	18,384	(299)	-	-	18,085	(153,522)	6,450

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 01/04/2019

Profit for the period

Other comprehensive loss for the period

Exchange differences arising from translation of foreign operations

Total comprehensive income/(loss) 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 income for the period

Exchange differences arising from translation of foreign operations

Issuance of adjustment shares

Total comprehensive income/(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

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

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

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 01/04/2020 & 31/12/2020	778,272,573
Total purchase of treasury shares to date	<div style="border: 1px solid black; padding: 2px;">6,362,798</div>

No. 1 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 2020.

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 2020.

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 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,

	Group		Group	
	Third Quarter Ended		YTD	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	\$ '000	\$ '000	\$ '000	\$ '000
<u>Basic EPS</u>				
Loss attributable to shareholders	(456)	(1,361)	(636)	(2,210)
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	<u>778,273</u>	<u>769,100</u>	<u>778,273</u>	<u>732,009</u>
per ordinary share, in cents :				
- basic	(0.0586)	(0.1770)	(0.0817)	(0.3019)
<u>Diluted EPS</u>				
Loss attributable to shareholders	(456)	(1,361) [^]	(636)	(2,210) [^]
Weighted average number of ordinary shares applicable to diluted earnings per share ('000)	<u>778,273</u>	<u>769,100</u>	<u>778,273</u>	<u>732,009</u>
Loss per ordinary share, in cents :				
- fully diluted	(0.0586)	(0.1770)	(0.0817)	(0.3019)

[^] As at 31 December 2019, the unlisted warrants of 166,666,667 at an exercise price of \$0.054, totalling \$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.

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	As at
	31-Dec-20	31-Mar-20
	cents	cents
Group	0.91	0.99
Company	0.83	0.92
No of issued shares ('000)	# 778,273	778,273

Note :

[#] As at 31 December 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 31 December 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.**

3Q2020/21 vs.3Q2019/20

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

- 1 Revenue for the Group increased to \$8.75 million in 3Q2020/21 from \$6.99 million in 3Q2019/20. The increase was mainly due to revenue contributed from new business unit started in 4Q2019/20. The sales to Shanghai Yiguo E-Commerce Co. Ltd and its related companies ("Yiguo") constituted 3% and 22% of the Group revenue for 3Q2020/21 and 3Q2019/20 respectively.
- 2 Gross profit for 3Q2020/21 was \$0.21 million (gross margin of 2%) compared to \$0.33 million (gross margin of 5%) for 3Q2019/20. The lower gross margin was mainly due to: 1) new business unit contributed 47% of the Group revenue with gross margin below 1%; 2) allowance for inventories obsolescence of \$0.05 million was recorded in 3Q2020/21.
- 3 Other income for 3Q2020/21 was \$0.03 million compared to \$0.01 million for 3Q2019/20.
- 4 The selling and distribution expenses ("S&D") for 3Q2020/21 were \$0.27 million compared to \$0.27 million for 3Q2019/20.

The administrative expenses ("Admin") for 3Q2020/21 were \$0.40 million compared to \$0.21 million for 3Q2019/20. The higher Admin expenses for 3Q2020/21 were mainly due to a one-off professional fee related to matters arising from Yiguo bankruptcy reorganisation in 3Q2020/21.

Other expenses for 3Q2020/21 were Nil compared to \$0.24 million for 3Q2019/20. Other expenses for 3Q2019/20 were mainly net foreign exchange loss.
- 5 Loss before fair value adjustment on contingent shares for the period: -
The Group's loss before fair value adjustment on contingent shares before tax for 3Q2020/21 was \$0.46 million compared to \$0.39 million for 3Q2019/20. The reasons were mainly due to items (2) and (4) above.
- 6 Fair value loss on financial liability from contingent issuance of shares of \$0.97 million for 3Q2019/20 was due to fair value adjustment arising from an increase in the share price of the Company.
- 7 Loss after fair value adjustment on contingent shares for the period: -
The Group's loss after fair value adjustment on contingent shares before tax for 3Q2020/21 was \$0.46 million compared to \$1.36 million for 3Q2019/20. The reasons were 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 3Q2020/21 was \$0.69 million compared to \$1.32 million for 3Q2019/20.
- 9 Operating cash flow: -
The Group's net cash used in operating activities for 3Q2020/21 was \$3.34 million compared to \$0.21 million for 3Q2019/20. These were due to items (2) and (4) and working capital changes.
- 10 Financing cash flow:-
The Group's net cash inflow from financing activities for 3Q2020/21 was \$2.69 million compared to \$1,000 for 3Q2019/20. The increase in cash inflow was due to interest free loan borrowed from Jiangzhong Shiliao (Hubei) Technology Co., Ltd. of RMB 13.44 million (or \$2.72 million) had been disbursed in 3Q2020/21 (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.

YTD2020/21 (9 months) vs.YTD2019/20 (9 months)

- 11 Revenue for the Group increased to \$22.45 million in YTD2020/21 from \$14.34 million in YTD2019/20. The increase was mainly due to reason as explained in item (1) above. The sales to Yiguo constituted 11% and 25% of the Group's revenue for YTD2020/21 and YTD2019/20 respectively.
- 12 Gross profit for YTD2020/21 was \$0.93 million (gross margin of 4%) compared to gross profit \$1.04 million (gross margin of 7%) for YTD2019/20. The reason was stated item (3) above.
- 13 Other income for YTD2020/21 was \$0.09 million compared to \$0.08 million for YTD2019/20.
- 14 S&D expenses for YTD2020/21 were \$0.81 million compared to \$0.80 million for YTD2019/20.
Admin expenses for YTD2020/21 were \$0.73 million compared to \$0.80 million for YTD2019/20. Admin expenses were lower for YTD2020/21 due to cost reduction measures undertaken to streamline the Group's operations offset by a one-off professional fee related to matters arising from Yiguo bankruptcy reorganisation in YTD2020/21.
Other expenses for YTD2020/21 were \$0.08 million compared to \$0.11 million for YTD2019/20. Other expenses were mainly due to foreign exchange loss net of foreign exchange gain.
- 15 Loss before fair value adjustment on contingent shares for the period: -
The Group's loss before fair value adjustment on contingent shares before tax for YTD2020/21 was \$0.64 million compared to \$0.59 million for YTD2019/20.
- 16 Fair value loss on financial liability from contingent issuance of shares of \$1.62 million for YTD2019/20 was due to fair value adjustment arising from an increase in the share price of the Company.
- 17 Loss after fair value adjustment on contingent shares for the period: -
The Group's loss after fair value adjustment on contingent shares before tax for YTD2020/21 was \$0.64 million compared to \$2.21 million for YTD2019/20. The reasons were mainly due to items (12),(14) and (15) above.
- 18 Total comprehensive loss for the period: -
The Group's total comprehensive loss after tax for YTD2020/21 was \$0.69 million compared to \$2.46 million for YTD2019/20.
- 19 Operating cash flow: -
The Group's net cash outflow from operating activities for YTD2020/21 was \$4.36 million compared to \$6.55 million for YTD2019/20. These were due to items (12) and (14) and working capital changes.
- 20 Financing cash flow:-
The Group's net cash inflow from financing activities for YTD2020/21 was \$3.93 million compared to \$1,000 for YTD2019/20. The increase in cash inflow was due to bank loan of RMB 3 million (or \$0.6 million) borrowed from China Construction Bank in May 2020 and interest free term loan borrowed from Jiangzhong Shiliao (Hubei)Technology Co., Ltd. of RMB 16.64 million (or \$3.37 million) had been disbursed from September 2020 to November 2020.(refer to No.1, page 3).

31 December 2020 vs.31 March 2020

- 21 Material fluctuations in balance sheet items: -
 - (a) Decrease in cash and cash equivalent was mainly due to cash used in operating activities higher than cash inflow from financing activities as stated in items (10) and (20) above.

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.

31 December 2020 vs.31 March 2020

21 Material fluctuations in balance sheet items: -

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

	31-Dec-20	31-Mar-20
	\$'000	\$'000
Trade receivables -third parties	6,887	3,816
Allowance for impairment loss on third parties trade receivables	(1,637)	(1,817)
Sub-total	5,250	1,999
Trade receivables -related parties	6,541	6,605
Allowance for impairment loss on related parties trade receivables	(1,587)	(1,441)
Sub-total	4,954	5,164
Total	10,204	7,163

Trade receivables from third parties of \$6.89 million as at 31 December 2020 compared to the amount of \$3.82 million as at 31 March 2020. These were mainly due to increase in sales and some of goods were shipped towards end of period.

The receivables from related parties of \$6.54 million as at 31 December 2020 compared to the amount of \$6.61 million as at 31 March 2020, these were due to Yiguo was under bankruptcy reorganisation and payment of old debts being suspended by administrator.

The changes in allowances for impairment were due to exchange difference.

The Board would like to update that the receivables from related parties arising from sales from 31 July 2020 to 31 December 2020 (the period after the filing of the bankruptcy reorganization as announced to shareholders) to related parties, 99 percent had been fully collected as at date of this announcement.

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

	31-Dec-20	31-Mar-20
	\$'000	\$'000
GST/VAT receivables and others	294	797
Advance payment to third parties suppliers	1,680	-
Advance payment to Yiguo related parties	2,576	4,428
	4,550	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 increase in advance payment to third parties suppliers was mainly due to secure procurement.

(d) Decrease in deposits and prepayments was mainly due to service/goods fulfilled.

(e) Decrease in inventories was a result of inventories being sold.

(f) Increase in bank loan was due to borrowing from China Construction Bank in May 2020 (refer to No.1 Page 3).

(g) Increase in term loan was due to loan borrowed from Jiangzhong Shiliao (Hubei)Technology Co., Ltd. pursuant to interest free loan agreement (refer to No.1 Page 3).

(h) Decrease in trade payables was mainly due to payment to suppliers.

(i) Increase in other payables was due to expenses incurred during quarter end and not yet due for payment.

(j) Increase in other liabilities was due to accrual liabilities made to non-trade creditors and advances received 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 increase revenues.

While the COVID-19 outbreak has adversely affected many aspects of the operations of the Group's business segments, the overall situation has gradually improved. A new part of business relating to animal protein supply chain business will generate more substantial revenue for the Group. The traditional business remains stable and new business will grow when the necessary working capital is in place. During this difficult time, we will continue to control our costs and streamline our supply chain management and expand the scope of the fulfilment of various types of fresh produce within the agri-product segment.

The Board would like to update that it has received a formal notice dated 2 February 2021 ("2Feb Notice") from the Shanghai No.3 Intermediate People's Court ("Chinese Court") issued by the Administrator which provides that (i) proposed reorganisation plan by 晟世鸣义 (上海) 企业管理有限公司 Sheng Shi Mingyi (Shanghai) management Co. Ltd ("SSMY") has been approved by the Chinese Court; and (ii) the approved reorganisation plan will be implemented in accordance with the Articles 86 and 87(1) of the PRC Enterprise Bankruptcy Law from 2 February 2021 (being the date of Chinese Court approval).

The Board would like to update on interest free loan agreement announced on 28 Oct 2020. The Lender has designated SSMY as the entity who will undertake the Purchase of AR. As SSMY is the investor in the approved reorganisation plan stipulated in the Loan Agreement, Scenario B (being the repayment scenario described above) will occur.

"3.6.2Scenario B – In the event of the scenario as set out in paragraph 3.5.2(c) above, the Lender will acquire the equivalent amount of account receivables due from the 3 YG Entities to SMF Shanmai ("Purchase of AR") and the total amount owing that is due and payable by SMF Shanmai (pursuant to the Interest Free Loan) will be used to set off the consideration payable by the 3 YG Entities for the Purchase of AR." – extract of Section 3.6.2 of the 28 Oct Update Announcement

As of the date of this announcement, the Lender had disbursed RMB 26,610,000 (approximately S\$5,322,000) to SMF Shanmai. The Board understands that the SSMY is currently taking steps to implement Scenario B and the Company will make the necessary announcements as and when there are material developments on the above matter.

The Board would like to update that the trading suspension will only be lifted after the Company submits a resumption proposal and upon fulfilment of the conditions (if any) required by the SGX RegCo, and SGX RegCo indicating that it has no objections to the resumption proposal.

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 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 31 December 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: -		
<i>Sales to</i>	-	2,492
<i>Purchases</i>	-	1,730
<i>Service received</i>	-	91
<i>Service provided</i>	-	19

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

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 2020 to be false or misleading, in any material aspect.

BY ORDER OF THE BOARD

Mr Zhang Ye
Executive Director and Chief Executive Officer
9 February 2021