No.1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		6th Quarter Ended			Financial Year		
		(01/10/08 - 31/12/08)	(01/10/07 - 31/12/07)		(01/07/07 - 31/12/08) (18 months)	(01/07/06 - 30/06/07) (12 months)	
		S$ '000 Group	S$ '000 Group	Change	S$ '000 Group	S$ '000 Group	Change
	Revenue	6,767	12,412	-45.5%	65,525	47,441	38.1%
	Cost of sales (note 1,2)	(14,845)	(12,753)	16.4%	(78,674)	(50,623)	55.4%
	Gross profit/(loss)	**(8,078)**	**(341)**		**(13,149)**	**(3,182)**	
	Selling and distribution expenses	(109)	(579)	-81.2%	(4,870)	(3,410)	42.8%
	Administrative expenses	(3,316)	(3,439)	-3.6%	(15,257)	(10,901)	40.0%
	Other income & charges (note 3)	(10,041)	2,711	-470.4%	(8,760)	(27,452)	-68.1%
	Finance costs	(1,063)	(1,570)	-32.3%	(7,763)	(4,070)	90.7%
	Loss before income tax	**(22,607)**	**(3,218)**	602.5%	**(49,799)**	**(49,015)**	1.6%
	Income tax	104	(46)	n.m	(28)	(228)	-87.7%
	Loss attributable to shareholders of the company	**(22,503)**	**(3,264)**	589.4%	**(49,827)**	**(49,243)**	1.2%
	Additional information to the income statement						
Note 1	Depreciation & amortization of Biological assets-plantations and Property, plant & equipment						
	- charged to cost of sales	(137)	(1,140)		(5,037)	(13,448)	
	- charged to selling, distribution and administrative expenses	(89)	(287)		(1,537)	(1,212)	
Note 2	Provision for inventories	(8,517)	0		(11,530)	0	
	Write-back of inventories previously written off	0	0		0	256	
Note 3	Other income & charges includes :						
	- Gain on disposal of property, plant & equipment	0	1,316		758	128	
	- Foreign exchange gain/(loss)	2,446	(169)		2,058	(372)	
	- Gain on disposal of associated company	0	0		998	0	
	- Impairment on other investments	(135)	0		(1,007)	(271)	
	- Provision for impairment loss on Property, plant & equipment	(12,125)	0		(12,125)	(1,094)	
	- Property, plant and equipment written off	0	0		0	852	
	- Provision for doubtful debts - trade receivables	(44)	0		(44)	443	
	- Provision for impairment loss on biological assets	0	0		0	(26,698)	
	- Other receivables written back	4,605	0		4,605	0	

No.1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group $ '000		Company $ '000	
	As at 31/12/08	As at 30/06/07	As at 31/12/08	As at 30/06/07
ASSETS				
Non-current assets :				
Subsidiaries	0	0	2,840	36,501
Associates	107	0	0	0
Other investments	68	1,075	0	1,007
Other assets	3	662	0	0
Property, plant and equipment	30,991	43,238	11,364	352
Biological assets - Plantations	9,663	9,342	0	0
Total non-current assets	40,832	54,317	14,204	37,860
Current assets :				
Cash and cash equivalents	3,310	6,480	631	81
Trade receivables	1,571	4,073	0	0
Other receivables and prepayments	2,285	2,778	133	61
Inventories	10,651	15,687	3,538	0
Total current assets	17,817	29,018	4,302	142
Total assets	58,649	83,335	18,506	38,002
Equity attributable to equity holders of the Company				
Share capital	100,508	85,006	100,508	85,006
Capital reserve	944	944	0	0
Capital reduction reserve	18,384	18,384	18,384	18,384
Foreign currency translation reserve	7,484	9,254	0	0
General reserve	2,201	2,201	0	0
Asset revaluation reserve	3,135	0	0	0
Accumulated losses	(152,412)	(102,585)	(133,768)	(89,924)
Total equity	(19,756)	13,204	(14,876)	13,466
LIABILITIES AND EQUITY				
Current liabilities :				
Bank loans - secured	24,860	5,728	0	0
Loans from investors	24,424	21,178	24,424	21,178
Trade payables	11,203	4,416	0	0
Other payables	17,243	13,747	8,958	3,257
Provision for taxation	675	895	0	0
Current portion of finance leases	0	21	0	21
Total current liabilities	78,405	45,985	33,382	24,456
Non-current liabilities :				
Finance leases	0	80	0	80
Long-term bank loans - secured	0	24,066	0	0
	0	24,146	0	80
Total liabilities	78,405	70,131	33,382	24,536
Total liabilities and equity	58,649	83,335	18,506	38,002

Note 4 : Net assets subject to Bank collaterals and guarantees

One of the subsidiaries of the Group, had obtained separate loans from a bank in the PRC (the "bank"). As of 31 December 2008, the loans outstanding amounted to approximately RMB 117 million (approximately $24.86 million). The loans are secured on the mortgages of land and buildings belonging to 2 subsidiaries of the Group and corporate guarantees executed by 4 subsidiaries of the Group (collectively, the Sub-group).

The subsidiary had defaulted on the repayment of loans to the bank during the financial period. During the financial period, the bank had obtained a court order in the PRC to seize the assets of the Sub-group to satisfy the debt owed to the bank. The Company believes that the Group's and Company's exposure on the liability to the bank is limited to the obligations of the Sub-group including the corporate guarantees issued by the Sub-group to the bank and do not extend beyond the Sub-group.

As at 31 December 2008, the Group has recorded an allowance for impairment for the excess of the carrying amounts of the assets over the related liabilities of the Sub-group that are subject to bank collaterals and guarantees amounting to $11.833 million which has been used to reduce the carrying amount of the property, plant and equipment of a subsidiary within the Sub-group. The total assets of the Sub-group after the impairment allowance of $11.833 million were approximately $35.4 million as at 31 December 2008 (Refer to Table A). The Company believes that there will be no further exposure to the Group or the Company arising from the financial obligations of the Sub-group, which has total liabilities of approximately $35.4 million. Accordingly, the Company is of the view that no further adjustments are required to the carrying amounts of the assets of the Sub-group since the assets of the Sub-group will be used to settle the related liabilities of the Sub-group.

The bank loans which are originally due in April 2017 are classified as a current liability as at 31 December 2008, as the subsidiary does not have an unconditional right to defer its settlement for at least twelve months after that date due to the default in repayment during the financial period.

As at 31 December 2008, three subsidiaries of the Sub-group have ceased operations and the related assets of the Sub-group are the subject of the court order seizure. These subsidiaries are therefore not considered to be operating as going concerns and as such, these assets should be adjusted to their net realisable values and provisions be made for any liabilities associated with the costs of cessation of the Sub-group. The consolidated financial statements of the Group and financial statements of the Company do not disclose this fact except for the allowance for impairment of $11.833 million as disclosed in the preceding paragraphs.

The carrying amounts of the assets and liabilities of the Sub-group as at 31 December 2008 that were consolidated into the financial statements of the Group as at 31 December 2008 are presented in Table A below:

TABLE A – Carrying amounts of the assets and liabilities of the Sub-group as at 31 December 2008 that were consolidated into the financial statement of the Group

	Total $'000
Investments in subsidiaries	**68**
Cost	79,962
Accumulated depreciation	(48,958)
Impairment loss	(11,833)
Property, plant & equipment	**19,171**
Biological assets - Plantation	**9,663**
Cash at bank and cash in hand	135
Fixed deposits	500
Trade receivables (external parties)	2,572
Provision for doubtful debts- external	(2,074)
Inventories	7,619
Provision for stock obsolescence	(4,108)
Deposits and prepayments	917
Advance payment to suppliers	317
Other receivables	659
Current Assets	**6,537**
Total Assets	**35,439**

Short term bank loans	24,860
Trade payables (external parties)	1,817
Accrued expenses	5,568
Advances from customers	1,481
Other payables	1,713
Current Liabilities	**35,439**
Total Liabilities	**35,439**

The Company believes that the financial obligations of the Sub-group is limited to the Sub-group and do not extend beyond the Sub-group to the Group or the Company. Accordingly, these assets and liabilities of the Sub-group would not have any material impact on the operations of the Group or the Company as at 31 December 2008. Table B below summarises the unaudited effects on the consolidated balance sheet had these assets and liabilities been excluded from the consolidated balance sheet of the Group as at 31 December 2008:

TABLE B – Unaudited effects on the consolidated balance sheet of the Group had the assets and liabilities of the Subgroup been excluded from the consolidated balance sheet of the Group as at 31 December 2008

	Group **31/12/2008** **$'000** **Not Consolidated**
ASSETS	
Non-current assets :	
Associate	107
Other investments	-
Other assets	3
Property, plant and equipment	11,820
Biological asset - Plantations	-
Total non-current assets	11,930
Current assets :	
Cash and cash equivalents	2,675
Trade receivables	1,073
Other receivables and prepayments	392
Inventories	7,140
Total current assets	11,280
Total assets	23,210
LIABILITIES	
Current liabilities :	
Bank loans - secured	-
Loans from investors	24,424
Trade payables	9,386
Other payables	8,481
Provision for income tax	675
Total current liabilities	42,966
Total equity	(19,756)
Total equity and liabilities	23,210

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

Amount repayable in one year or less, or on demand

($ '000)

	As at 31/12/2008		As at 30/06/2007	
	Secured	Unsecured	Secured	Unsecured
Bank Loans	24,860	0	5,728	0
Loans from Investors	24,424	0	21,178	0

Amount repayable after one year

($ '000)

	As at 31/12/2008		As at 30/06/2007	
	Secured	Unsecured	Secured	Unsecured
Bank Loans	0	0	24,066	0
Finance Lease	0	0	80	0

Details of any collateral

The loans from investors of $24.4 million as at 31 Dec 2008 (30 June 2007: $21.2 million) are secured by a charge on the shares of Fook Huat Tong Kee Pte Ltd, a wholly owned subsidiary of the Company. The convertible loan from investors is repayable on the date falling 2 years from 21 March 2007, i.e. the date of convertible loan agreement. The loans from investors are convertible loans at the discretion of the investors. Assuming the loans from investors are converted into shares, the Company would issue 2.44 billion new shares (based on the $24.4 million loan at the conversion price of $ 0.01 per share) to the investors. The company is presently in negotiation with the convertible loan investors on the extension and revised terms of the convertible loans.

One of the Subsidiary of the Group had obtained the bank loans from a bank in the PRC amounting to $24.86 million and the bank loans are secured by mortgages on leasehold land and buildings and corporate guarantees by certain subsidiaries of the Group (refer to Note 4 for the details on mortgages and corporate guarantees). The bank loans which are originally due in April 2017 are classified as a current liability as at 31 December 2008, as the Group does not have an unconditional right to defer its settlement for at least twelve months after that date due to the default in repayment during the financial period.

No.1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
Group Statement of Cash Flows for the reporting period ended	**01/07/2007 - 31/12/2008 (18 months) $'000**	**01/07/2006 - 30/06/2007 (12 months) $'000**
Operating activities		
Loss before taxation	(49,799)	(49,015)
Adjustments for:		
Interest expense	7,763	4,070
Interest income	(30)	(28)
Dividend income	(17)	(14)
Impairment of property, plant and equipment	12,125	1,094
Property, plant and equipment written off	-	852
Impairment of biological assets	-	26,698
Net loss on dilution of interest in associated company	-	271
Impairment of other investments	1,007	-
Depreciation expense	6,574	14,660
Gain on disposal of property, plant and equipment	(758)	(128)
Gain on disposal of associated company	(998)	-
Other receivables written back	(4,605)	-
Allowance for doubtful receivables written back	(44)	(443)
Allowance for inventories made/(written back)	11,530	(256)
Exchange difference arising from the opening balances	-	(1,420)
Operating loss before working capital changes	(17,252)	(3,659)
Change in working capital:		
Trade receivables and other receivables and prepayments	7,170	2,740
Inventories	(6,623)	2,816
Trade payables and other payables	2,266	(5,597)
Cash used in operations	(14,439)	(3,700)
Income tax paid	(194)	(4)
Cash outflows from operating activities	(14,633)	(3,704)
Investing activities		
Interest received	30	28
Dividends received	17	14
Purchase of property, plant and equipment and other assets	(1,588)	(445)
Additions to biological assets	(733)	(8,393)
Addition of associated company	(107)	-
Proceeds from disposal of property, plant and equipment	2,031	108
Proceeds from disposal of associated company	1,150	-
Cash inflows/(outflows) from investing activities	800	(8,688)
Financing activities		
Interest paid	(3,128)	(3,641)
Repayment of bank loans	(3,873)	(9,426)
Loans from investor	17,765	21,178
(Repayment of finance lease)/finance lease obtained	(101)	89
Net proceeds from issue of ordinary shares under rights issue and exercise of options	-	110
Cash inflows from financing activities	10,663	8,310
Net decrease in cash and cash equivalents	(3,170)	(4,082)
Cash and cash equivalents at beginning of period/year	6,480	10,562
Cash and cash equivalents at end of period/year	3,310	6,480

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 year.

	Share capital $ '000	Capital reserve $ '000	Capital reduction reserve $ '000	Foreign currency translation reserve $ '000	Revaluation Reserve $ '000	General reserve $ '000	Accumulated gain/(losses) $ '000	Total $ '000
GROUP								
Bal at 01/07/2007	**85,006**	**944**	**18,384**	**9,254**	**0**	**2,201**	**(102,585)**	**13,204**
Currency translation arising during the reporting period	0	0	0	(389)	0	0	0	(389)
Loss for the reporting period	0	0	0	0	0	0	(4,015)	(4,015)
Bal at 30/09/2007	**85,006**	**944**	**18,384**	**8,865**	**0**	**2,201**	**(106,600)**	**8,800**
Currency translation arising during the reporting period	0	0	0	(580)	0	0	0	(580)
Loss for the reporting period	0	0	0	0	0	0	(3,264)	(3,264)
Bal at 31/12/2007	**85,006**	**944**	**18,384**	**8,285**	**0**	**2,201**	**(109,864)**	**4,956**
Currency translation arising during the reporting period	0	0	0	(1,011)	0	0	0	(1,011)
Loss for the reporting period	0	0	0	0	0	0	(3,709)	(3,709)
Issuance of Shares	8,987	0	0	0	0	0	0	8,987
Bal at 31/03/2008	**93,993**	**944**	**18,384**	**7,274**	**0**	**2,201**	**(113,573)**	**9,223**
Currency translation arising during the reporting period	0	0	0	1,339	0	0	0	1,339
Loss for the reporting period	0	0	0	0	0	0	(11,539)	(11,539)
Issuance of Shares	2,623	0	0	0	0	0	0	2,623
Bal at 30/06/2008	**96,616**	**944**	**18,384**	**8,613**	**0**	**2,201**	**(125,112)**	**1,646**
Currency translation arising during the reporting period	0	0	0	890	0	0	0	890
Loss for the reporting period	0	0	0	0	0	0	(4,797)	(4,797)
Bal at 30/09/2008	**96,616**	**944**	**18,384**	**9,503**	**0**	**2,201**	**(129,909)**	**(2,261)**
Currency translation arising during the reporting period	0	0	0	(2,019)	0	0	0	(2,019)
Loss for the reporting period	0	0	0	0	0	0	(22,503)	(22,503)
Issuance of Shares	3,892	0	0	0	0	0	0	3,892
Revaluation Surplus arising during the reporting period	0	0	0	0	3,135	0	0	3,135
Bal at 31/12/2008	**100,508**	**944**	**18,384**	**7,484**	**3,135**	**2,201**	**(152,412)**	**(19,756)**
COMPANY								
Bal at 01/07/2007	**85,006**	**0**	**18,384**	**0**	**0**	**0**	**(89,924)**	**13,466**
Loss for the reporting period	0	0	0	0	0	0	(1,389)	**(1,389)**
Bal at 30/09/2007	**85,006**	**0**	**18,384**	**0**	**0**	**0**	**(91,313)**	**12,077**
Loss for the reporting period	0	0	0	0	0	0	(2,305)	(2,305)
Bal at 31/12/2007	**85,006**	**0**	**18,384**	**0**	**0**	**0**	**(93,618)**	**9,772**
Loss for the reporting period	0	0	0	0	0	0	(843)	(843)
Issuance of Shares	8,987	0	0	0	0	0	0	8,987
Bal at 31/03/2008	**93,993**	**0**	**18,384**	**0**	**0**	**0**	**(94,461)**	**17,916**
Loss for the reporting period	0	0	0	0	0	0	(1,904)	(1,904)
Issuance of Shares	2,623	0	0	0	0	0	0	2,623
Bal at 30/06/2008	**96,616**	**0**	**18,384**	**0**	**0**	**0**	**(96,365)**	**18,635**
Loss for the reporting period	0	0	0	0	0	0	(1,270)	(1,270)
Bal at 30/09/2008	**96,616**	**0**	**18,384**	**0**	**0**	**0**	**(97,635)**	**17,365**
Loss for the reporting period	0	0	0	0	0	0	(36,133)	(36,133)
Issuance of Shares	3,892	0	0	0	0	0	0	3,892
Bal at 31/12/2008	**100,508**	**0**	**18,384**	**0**	**0**	**0**	**(133,768)**	**(14,876)**

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 or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.

As at 1 July 2007, the total number of ordinary shares isssued by the Company was 6,328,150,045. The movement of shares of the Company is given below:

(a) Conversion of investors' loan to equity on 18/2/08 - 180,289,184 ordinary shares.
(b) Conversion of investors' loan to equity on 22/2/08 - 665,216,574 ordinary shares.
(c) Conversion of investors' loan to equity on 27/2/08 - 53,184,805 ordinary shares.
(d) Conversion of investors' loan to equity on 29/5/08 - 160,720,745 ordinary shares.
(e) Conversion of investors' loan to equity on 18/6/08 - 101,672,986 ordinary shares.
(f) Conversion of investors' loan to equity on 31/10/08 - 111,987,684 ordinary shares.
(g) Conversion of investors' loan to equity on 4/11/08 - 224,156,596 ordinary shares.
(h) Conversion of investors' loan to equity on 16/12/08 - 53,062,585 ordinary shares.

As at 31 Dec 2008, the total number of ordinary shares issued by the Company was 7,878,441,204

Please see page 5 on the loans from investors which are convertible to ordinary shares of the Company.

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 financial information for period ended 31.12.08 have not been audited nor reviewed by the company auditors.

No.3 Where the figures have been audited or reviewed, the auditors' report (incuding 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 has adopted the same accounting polices and methods of computation in the financial statements for the current reporting period as those in the audited annual financial statements as at 30 June 2007 excepts as stated in item 5 below.

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.

The Group has adopted the following new FRS/Int FRS which became effective to the Group:

FRS 1	Presentation of Financial Statements
FRS 21	The effects of changes in Foreign Exchange Rates
FRS 32	Financial Instrument - Disclosure and Presentation
FRS 39	Financial Instrument - Recognition and Measurements
FRS 101	First-time Adoption of Financial Reporting Standard
FRS 106	Exploration for and Evaluation of Mineral Resources
IFRS 105	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IFRS 107	Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies
IFRS 109	Resassesment of Embedded Derivatives
IFRS 110	Interim Financial Reporting and Impairment
IFRS 111	FRS 102 - Group and Treasury Share Transactions

The application of the above standards has no material impact to the financial statements of the Group and the Company.

No.6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Quarter Ended		Full Year	
	(01/10/08 - 31/12/08) $ '000	(01/10/07 - 31/12/07) $ '000	(01/07/07 - 31/12/08) $ '000	(01/07/06 - 30/06/07) $ '000
Earnings attributable to shareholders	(22,503)	(3,264)	(49,827)	(49,243)
Weighted average number of ordinary shares applicable to basic earnings per share	7,878,441	6,248,109	7,878,441	6,248,109
Weighted average number of ordinary shares applicable to diluted earnings per share	7,878,441	6,248,109	7,878,441	6,248,109
Earnings per ordinary share, in cents :				
- basic	(0.29)	(0.05)	(0.63)	(0.79)
- fully diluted	(0.29)	(0.05)	(0.63)	(0.79)

Note: Basic and diluted earnings per share are the same. The loans from investors, which could be convertible into ordinary shares of the Company, were not included in the computation of diluted loss per share as it is 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 year.

	As at 31/12/08 cents	As at 30/06/07 cents
Group	(0.25)	0.21
Company	(0.19)	0.21
No of issued shares ('000)	7,878,441	6,328,150

The calculation of net asset value per ordinary share is based on the number of ordinary shares of the Company as at 31 December 2008 and 30 June 2007 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.

(1) The Group's revenue for the 6th Quarter of the financial year (Q608) was $6.8 million as compared with $12.4 million for the corresponding period last year (Q208), a reduction of $5.6 million.

Fruits sales was lower due to inability to meet customers' demand as a result of the ineffective procurement process of the Longkou Operation which was therefore closed down in November 2008 following a strategic review. Sales of dehydrated products was lower due to significant drop in prices and a much lower yield for certain products during the 2007 production season.

For YTD, the Group's revenue was $65.5 million (18 months) as compared with $47.4 million for the last financial year (12 months). While sales of dehydrated products reduced from $28.9 million to $25.0 million, sales of fruits increased from $18.5 million to $40.3 million.

(2) The gross loss of the Group for Q608 was $8.1 million. However this was after inventory provisions of $8.5 million. Without these inventory provisions, the gross profit would have been a positive figure of $0.4 million (6.5% of sales), as compared with a gross loss of $0.3 million (-2.7% of sales) reported for the coresponding period last year (Q208). The improvement in gross profit is attributable to the new business model for the fruits trading division.

(3) The YTD 18 months gross loss of the Group was $13.1 million after inventory provision of $11.5 million. Without these inventory provisions, the gross loss would only be $1.6 million, which was substantially down from the $3.2 million reported for the last financial year. This is attributable to the new business model for the fruits trading division including cost reduction from closing down the Longkou & Dongguan operations.

(4) The net loss for the current quarter (Q608) was $22.5 million compared with net loss of $3.2 million for the corresponding quarter last year (Q208). This was due to inventory provisions of $8.5 million and the $11.8 million provision for net assets pledged for bank collaterals and guarantees (Refer to Note 4). Without these provisions, the net loss would have been only $2.2 million.

(5) YTD (18 months) net loss was $49.8 million as compared with net loss of $49.2 million for the last financial year (12 months). Both financial years reported large amount of various provisions, as disclosed in notes 2 and 3 on page 1.

(6) Material Fluatuation in balance sheet items

(a) Trade receivables
Trade receivables decreased from $4.1 million as at 30/06/07 to $1.6 million as at 31/12/08, a change of $2.5 million, of which $2 million was due to lower sales of dehydrated products and $0.5 million was due to lower fruits sales.

(b) Inventories
Inventories decreased from $15.7 million as at 30/06/07 to $10.6 million as at 31/12/08. Current year increased in production of dehydrated products was offset by an inventory provision of $11.5 million.

(c) Property, plant & equipment
Decreased from $43.2 as at 30/06/07 to $31.0 million as at 31/12/08, a decrease of $12.2 million mainly due to the $11.8 million provision as explained in the note 4.

(d) Working capital
Negative working capital increased from $17.0 million as at 30/06/07 to $60.6 million as at 31/12/08, an increase of $43.6 million. This was due to the classification of bank loans from non-current to current liability, increase in loans from investors and increase in trade & other payables.

(7) Operating cash flow deficit
Operating cash flow deficit deteriorated from $3.7 million for the previous financial year (12 months) to $17.3 million in the current financial year (18 months). This was due to :-

(a) A reduction in cash gross profit of $6.3 million due to difficulties in procurement and processing at the Lougkou operation and lower market prices for dehydrated products.

(b) Higher administrative, selling & distribution expenses due to the 18 months financial period.

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 ma) group in the next reporting period and the next 12 months.

(i) The Group continues to operate under difficult conditions and is facing intense competition in the fruit and produce industry.

(ii) The Group is still restructuring to enhance the shareholders' value as well as to improve our cost structure, procurement, marketing and sales. However, operating performance is improving as evidenced in the results of the current quarter.

No. 11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ?

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 reporting period ended 31/12/2008.

SunMoon Food Company Limited
Business Segments
As At 31 December 2008

Note 13.

Business Segments	Garlic & Onions		Fruits		Others		Consolidated	
(S$ '000)	01/07/2007 - 31/12/2008	01/07/2006 - 30/6/2007	01/07/2007 - 31/12/2008	01/07/2006- 30/6/2007	01/07/2007 - 31/12/2008	01/07/2006- 30/6/2007	01/07/2007 - 31/12/2008	01/07/2006- 30/6/2007
REVENUE								
External sales	25,017	28,961	40,338	18,480	170	0	65,525	47,441
RESULT								
Segment result	(11,508)	(521)	(12,762)	(44,153)	(347)	0	(24,617)	(44,674)
Share of results of associates							0	(271)
							(24,617)	(44,945)
Income tax							(28)	(228)
Finance cost							(7,763)	(4,070)
Impairment of Property, plant and equipment (Note 4)							(11,833)	0
Unallocated Corporate loss							(5,586)	0
Loss attributable to shareholders of the company							(49,827)	(49,243)
OTHER INFORMATION								
Segment assets	11,063	18,370	31,015	64,965	796		42,874	83,335
Investment in associates							107	0
Unallocated corporate assets							15,668	0
Consolidated total assets							58,649	83,335
Segment liabilities	5,225	2,674	41,801	66,461	589		47,615	69,135
Unallocated corporate liabilities							30,790	996
Consolidated total liabilities							78,405	70,131
Capital expenditure	209	163	993	8,675	386	0	1,588	8,838
Amortisation of biological assets	0	0	1,008	8,850	0	0	1,008	8,850
Depreciation expense	2,319	528	3,212	5,282	35	0	5,566	5,810

	Revenue		Assets		Capital Expenditure	
Geographical Segments	01/07/2007 - 31/12/2008	01/07/2006 - 30/06/2007	At 31/12/2008	At 30/06/2007	01/07/2007 - 31/12/2008	01/07/2006 - 30/06/2007
(S$ '000)						
ASEAN	26,897	9,403	3,645	3,231	551	3
China	15,885	3,559	52,081	73,449	1,034	8,834
America and Europe	17,961	32,530	2,923	6,655	3	0
Others	4,782	1,949	0	0	0	1
	65,525	47,441	58,649	83,335	1,588	8,838

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Revenue from sales of dehydrated products reduced from $28.9 million (in the last financial year 12 months) to $25.0 million in the financial year (18th months). This was due to significant drop in product prices and also due to much lower yield from ELB products during the 2007 production season.

Revenue from fruits sales increased from $18.5 million in the last financial year (12 months) to $40.3 million in the current financial year (18 months). This is due to availabilty of working capital provided by investors loan.

ADDITIONAL INFORMATION

Interested Person Transactions
(In S$ '000)

The aggregate value of interested person transactions entered into during the reporting period ended 31 Dec 2008 is as follows : -

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
None	0	0

	Group		
	01/07/07-31/12/08 18months S$ '000	01/07/06-30/06/07 12months S$ '000	% increase/ (decrease)
(a) Sales reported for 1st six months	23,079	26,417	-12.6%
(b) Operating loss after tax reported for 1st six months	-7,279	-12,272	-40.7%
(c) Sales reported for 2nd six months	24,288	21,024	15.5%
(d) Operating loss after tax reported for 2nd six months	-15,248	-36,971	-58.8%
(e) Sales reported for 3rd six months	18,158	-	n.m
(f) Operating loss after tax reported for 3rd six months	-27,300	-	n.m