



Second Quarter Financial Statements Announcement for the Period Ended 30-Sep-2018

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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.

Note : The financial results for the 2nd Quarter and Half Year ended 30 September 2017 was restated from the result announced on 13 November 2017 with respect to the prior period adjustments as stated in Note 30 to the Annual Report 2017/18.

n.m - "not meaningful"

	Group			Group		
	2nd Quarter Ended 30-Sep-18	30-Sep-17 Restated	Change	Half Year 30-Sep-18	30-Sep-17 Restated	Change
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
Continuing operations						
Revenue	14,254	9,921	44%	30,187	16,087	88%
Cost of sales	(15,714)	(9,216)	71%	(31,280)	(14,896)	110%
Gross (loss)/profit	(1,460)	705	n.m	(1,093)	1,191	n.m
Other income	500	20	2400%	509	30	1597%
Selling & Distribution costs	(404)	(577)	-30%	(870)	(918)	-5%
Administrative expenses	(681)	(1,250)	-46%	(1,431)	(1,864)	-23%
Other expenses	-	(191)	-100%	-	(206)	-100%
Finance costs	(1)	(1)	0%	(2)	(2)	0%
Loss before income tax	(2,046)	(1,294)	58%	(2,887)	(1,769)	63%
Income tax expense	-	-		-	-	
Loss from continuing operations for the period,net of income tax	(2,046)	(1,294)	58%	(2,887)	(1,769)	63%
Discontinued operations						
(Loss)/Profit from discontinued operations for the period,net of income tax	(49)	951	n.m	1,395	4,017	-65%
(Loss)/Profit for the period	(2,095)	(343)	511%	(1,492)	2,248	n.m
Other comprehensive income :						
Items that may be reclassified subsequently to profit or loss:						
Reclassification to profit or loss on disposal of subsidiaries:						
Foreign currency translation reserve	-	(665)	-100%	(1,544)	(1,458)	6%
Exchange difference arising from translation of foreign operations	(520)	18	n.m	(447)	44	n.m
Total comprehensive (loss)/profit for the period	(2,615)	(990)	164%	(3,483)	834	n.m
Loss from continuing operations for the period included the following						
Depreciation of property, plant & equipment	(11)	(17)		(28)	(33)	
Amortisation of intangible assets	(12)	(12)		(25)	(25)	
Interest expenses	(1)	(1)		(2)	(2)	
Inventories written off	(147)	-		(147)	-	
Profit from discontinued operations for the period included the following						
Gain on disposal of subsidiaries	-	665		1,544	3,711	
Income tax refund	-	337		-	337	
Other income included:						
- Government grant	-	-		58	2	
- Interest income	15	9		29	9	
- Foreign exchange gain	476	-		407	-	
- Miscellaneous income	3	5		3	7	
- Franchise income	6	6		12	12	
	500	20		509	30	

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

	Group		Company	
	As at 30-Sep-18	As at 31-Mar-18	As at 30-Sep-18	As at 31-Mar-18
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Subsidiaries	-	-	26,498	18,450
Available-for-sale equity investments Note 1	-	-	-	-
Property, plant and equipment	99	113	-	-
Intangible assets	75	99	75	99
Total non-current assets	174	212	26,573	18,549
Current assets				
Cash and cash equivalents	3,914	11,363	25	9,136
Trade receivables	10,839	10,102	-	-
Other receivables	1,116	1,648	19	18
Deposits and prepayments	219	304	75	31
Inventories	3,454	4,453	-	-
Total current assets	19,542	27,870	119	9,185
Total assets	19,716	28,082	26,692	27,734
Equity attributable to equity holders of the Company				
Share capital	139,508	139,508	139,508	139,508
Other reserves	15,293	17,330	17,017	17,063
Accumulated losses	(143,450)	(141,958)	(130,729)	(129,989)
Total equity	11,351	14,880	25,796	26,582
Non-current liabilities :				
Finance leases obligation	65	51	-	-
Financial liabilities arising from contingent issuance of shares Note 2	-	-	-	-
Current liabilities				
Trade payables	6,129	10,969	-	-
Other payables and accruals	2,153	2,164	896	1,152
Finance leases obligation	18	18	-	-
Total current liabilities	8,300	13,151	896	1,152
Total liabilities	8,365	13,202	896	1,152
Total liabilities and equity	19,716	28,082	26,692	27,734

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 30-Sep-18		As At 31-Mar-18	
	Secured	Unsecured	Secured	Unsecured
Bank loans	-	-	-	-

Details of any collateral

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.

	Group		Group	
	2nd Quarter Ended		Half Year	
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	\$'000	\$'000	\$'000	\$'000
		Restated		Restated
Operating activities				
Loss before income tax from continuing operations	(2,046)	(1,294)	(2,887)	(1,769)
(Loss)/Profit from discontinued operations before tax	(49)	614	1,395	3,680
Adjustments for:				
Interest expense	1	1	2	2
Interest income	(15)	(9)	(29)	(9)
Depreciation of property, plant and equipment	11	17	28	33
Inventories written off	147	-	147	-
Net unrealised foreign exchange gain	(476)	-	(407)	-
Trade receivables written off	-	35	-	35
Amortisation of intangible asset	12	12	25	25
Gain on disposal of subsidiaries	-	(665)	(1,544)	(3,711)
Operating loss before working capital changes	<u>(2,415)</u>	<u>(1,289)</u>	<u>(3,270)</u>	<u>(1,714)</u>
Change in working capital:				
Trade and other receivables	157	(4,786)	(120)	(4,319)
Inventories	2,797	(616)	852	(499)
Trade and other payables	(3,553)	3,843	(4,851)	2,387
Cash used in operations	<u>(3,014)</u>	<u>(2,848)</u>	<u>(7,389)</u>	<u>(4,145)</u>
Income tax refund	-	337	-	337
Net cash used in operating activities	<u>(3,014)</u>	<u>(2,511)</u>	<u>(7,389)</u>	<u>(3,808)</u>
Investing activities				
Interest received	15	9	29	9
Purchase of office equipment	(1)	-	(1)	-
Proceeds from disposal of subsidiaries	-	2,299	-	4,897
Net cash generated from investing activities	<u>14</u>	<u>2,308</u>	<u>28</u>	<u>4,906</u>
Financing activities				
Interest paid	(1)	(1)	(2)	(2)
Repayment of finance lease	-	(4)	-	(8)
Purchase of treasury shares	(46)	-	(46)	-
Proceeds for issue of placement shares	-	15,000	-	15,000
Cash (used in)/generated from financing activities	<u>(47)</u>	<u>14,995</u>	<u>(48)</u>	<u>14,990</u>
Net (decrease)/increase in cash and cash equivalents	<u>(3,047)</u>	<u>14,792</u>	<u>(7,409)</u>	<u>16,088</u>
Cash and cash equivalents at beginning of the period	7,004	1,877	11,363	557
Effect of exchange rate fluctuations on cash and cash equivalents	(43)	7	(40)	31
Cash and cash equivalents at end of of the period	<u>3,914</u>	<u>16,676</u>	<u>3,914</u>	<u>16,676</u>

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.

	Share capital	Capital reserve	Capital reduction reserve	Treasury shares	Foreign currency translation reserve	Revaluation reserve	General reserve	Reserve for contingent issuance of shares	Other reserves total	Reserve of disposal group classified as held for sales	Accumulated (losses)/profit	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
GROUP												
Bal at 01/04/2018	139,508	-	18,384	-	267	-	-	(1,321)	17,330	-	(141,958)	14,880
Profit for the period	-	-	-	-	-	-	-	-	-	-	603	603
<u>Other comprehensive loss</u>												
Disposal of subsidiaries	-	-	-	-	(1,544)	-	-	-	(1,544)	-	-	(1,544)
Exchange differences arising from translation of foreign operations	-	-	-	-	73	-	-	-	73	-	-	73
Total comprehensive loss for the period	-	-	-	-	(1,471)	-	-	-	(1,471)	-	603	(868)
Bal at 30/06/2018	139,508	-	18,384	-	(1,204)	-	-	(1,321)	15,859	-	(141,355)	14,012
Loss for the period	-	-	-	-	-	-	-	-	-	-	(2,095)	(2,095)
<u>Other comprehensive loss</u>												
Exchange differences arising from translation of foreign operations	-	-	-	-	(520)	-	-	-	(520)	-	-	(520)
Total comprehensive loss for the period	-	-	-	-	(520)	-	-	-	(520)	-	(2,095)	(2,615)
<u>Contributions by owners</u>												
Purchase of treasury shares	-	-	-	(46)	-	-	-	-	(46)	-	-	(46)
Total contribution by owners	-	-	-	(46)	-	-	-	-	(46)	-	-	(46)
Bal at 30/09/2018	139,508	-	18,384	(46)	(1,724)	-	-	(1,321)	15,293	-	(143,450)	11,351
COMPANY												
Bal at 01/04/2018	139,508	-	18,384	-	-	-	-	(1,321)	17,063	-	(129,989)	26,582
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	(327)	(327)
Bal at 30/06/2018	139,508	-	18,384	-	-	-	-	(1,321)	17,063	-	(130,316)	26,255
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	(413)	(413)
<u>Contributions by owners</u>												
Purchase of treasury shares	-	-	-	(46)	-	-	-	-	(46)	-	-	(46)
Total contribution by owners	-	-	-	(46)	-	-	-	-	(46)	-	-	(46)
Bal at 30/09/2018	139,508	-	18,384	(46)	-	-	-	(1,321)	17,017	-	(130,729)	25,796
GROUP												
Bal at 01/04/2017, restated	124,508	944	18,384	-	593	-	232	-	20,153	5,277	(149,255)	683
Profit for the period	-	-	-	-	-	-	-	-	-	-	2,591	2,591
<u>Other comprehensive loss</u>												
Disposal of subsidiaries	-	(944)	-	-	5	-	(82)	-	(1,021)	(5,277)	5,505	(793)
Exchange differences arising from translation of foreign operations	-	-	-	-	26	-	-	-	26	-	-	26
Total comprehensive income for the period	-	(944)	-	-	31	-	(82)	-	(995)	(5,277)	8,096	1,824
Bal at 30/06/2017	124,508	-	18,384	-	624	-	150	-	19,158	-	(141,159)	2,507
Loss for the period	-	-	-	-	-	-	-	-	-	-	(343)	(343)
<u>Other comprehensive loss</u>												
Disposal of subsidiaries	-	-	-	-	(665)	-	-	-	(665)	-	-	(665)
Exchange differences arising from translation of foreign operations	-	-	-	-	18	-	-	-	18	-	-	18
Total comprehensive loss for the period	-	-	-	-	(647)	-	-	-	(647)	-	(343)	(990)
<u>Contributions by owners</u>												
Issuance of shares	15,000	-	-	-	-	-	-	-	-	-	-	15,000
Total contribution by owners	15,000	-	-	-	-	-	-	-	-	-	-	15,000
Bal at 30/09/2017	139,508	-	18,384	-	(23)	-	150	-	18,511	-	(141,502)	16,517
COMPANY												
Bal at 01/04/2017, restated	124,508	-	18,384	-	-	-	-	-	18,384	-	(135,542)	7,350
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	3,773	3,773
Bal at 30/06/2017	124,508	-	18,384	-	-	-	-	-	18,384	-	(131,769)	11,123
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	(1,177)	(1,177)
<u>Contributions by owners</u>												
Issuance of shares	15,000	-	-	-	-	-	-	-	-	-	-	15,000
Total contribution by owners	15,000	-	-	-	-	-	-	-	-	-	-	15,000
Bal at 30/09/2017	139,508	-	18,384	-	-	-	-	-	18,384	-	(132,946)	24,946

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 report on and as at end of the corresponding period of the immediately preceding financial

On 5 July 2017, there was issuance of 333,333,333 Placement shares and 67,607,078 of Adjustment shares to Yiguo General
As at 30 September 2017, the total number of ordinary shares issued by the Company was 719,724,783.

As at 30 September 2018, the total number of ordinary shares issued by the Company was 719,724,783. There was no change from 31 March 2018.

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 01/04/2018	719,724,783
Purchase of treasury shares	<u>(940,600)</u>
As at 30/09/2018	<u>718,784,183</u>

As at 30 September 2018, 940,600 treasury shares were held by the Company, representing 0.13% of the total numbers of issued shares (excluding treasury shares). As at 31 March 2018, no treasury shares were held by the Company.

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.

None.

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 on.

None.

No. 1(e) Notes to Financial Statements

Note 1 - Available-for-sale equity investments

Available-for-sale equity investments of S\$752,000 pertains to investment in Harvest Seasons Pte Ltd which has been fully impaired as at 31 March 2018. The investment's recoverable amount have being assessed to be "nil" as of 30 September 2018.

Note 2 - Financial liabilities arising from contingent issuance of shares

Financial liabilities arising from contingent issuance of shares pertains to contingent issuance of top-up adjustments shares as a result of the occurrence of the certain loss events pursuant to the Placement Agreement and supplement to Placement agreement entered into by the Company and Shanghai YiGuo E-Commerce Co., Ltd on 31 December 2016 and 13 May 2017 respectively.

No. 1 Net assets subject to bank collaterals and guarantees, and contingent liabilities

Not applicable.

No.2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910

The figures have not been audited nor 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.

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for current financial reporting period are consistent with those disclosed in the audited statements for the year ended 31 March 2018.

No. 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has

The Group has adopted the new or revised Financial Reporting Standards ("FRS") which are relevant to the Group with effect from 1 April 2018. Other than the adoption of new standards that are effective on 1 April 2018, the Group has adopted the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 April 2018. The adoption of the new standards and SFRS(I) have no significant impact on the Group's financial statements.

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.

	<u>Group</u>		<u>Group</u>		<u>Group</u>		<u>Group</u>	
	2nd Quarter Ended		2nd Quarter Ended		Half Year		Half Year	
	(Continuing operation)		(Including discontinued operation)		(Continuing operation)		(Including discontinued operation)	
	<u>30-Sep-18</u>	<u>30-Sep-17</u>	<u>30-Sep-18</u>	<u>30-Sep-17</u>	<u>30-Sep-18</u>	<u>30-Sep-17</u>	<u>30-Sep-18</u>	<u>30-Sep-17</u>
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
(Loss)/profit attributable to shareholders	(2,046)	Restated (1,294)	(2,095)	Restated (343)	(2,887)	Restated (1,769)	(1,492)	Restated 2,248
Weighted average number of ordinary shares (excluding treasury shares) applicable to basic earnings per share ('000)	719,641	702,293	719,641	702,293	719,683	511,586	719,683	511,586
(Loss)/profit per ordinary share, in cents :								
- basic	(0.2843)	(0.1843)	(0.2911)	(0.0488)	(0.4011)	(0.3458)	(0.2073)	0.4394
	<u>Group</u>		<u>Group</u>		<u>Group</u>		<u>Group</u>	
	2nd Quarter Ended		2nd Quarter Ended		Half Year		Half Year	
	(Continuing operation)		(Including discontinued operation)		(Continuing operation)		(Including discontinued operation)	
	<u>30-Sep-18</u>	<u>30-Sep-17</u>	<u>30-Sep-18</u>	<u>30-Sep-17</u>	<u>30-Sep-18</u>	<u>30-Sep-17</u>	<u>30-Sep-18</u>	<u>30-Sep-17</u>
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
(Loss)/profit attributable to shareholders	(2,046)	Restated (1,294)	(2,095)	Restated (343)	(2,887)	Restated (1,769)	(1,492)	Restated 2,248
Weighted average number of ordinary shares (excluding treasury shares) applicable to diluted earnings per share ('000)	719,641	702,293	719,641	702,293	719,683	511,586	719,683	600,957
Loss per ordinary share, in cents :								
- fully diluted	(0.2843)	(0.1843)	(0.2911)	(0.0488)	(0.4011)	(0.3458)	(0.2073)	0.3741

Note :

[^] For the 2nd quarter and half year ended 30 September 2018, the unlisted 166,666,667 warrants to Yiguo and the contingent shares were not included in the computation of diluted earnings per share because they are anti-dilutive.

^{**} For the 2nd quarter and half year (continuing operation) ended 30 September 2017, the unlisted 166,666,667 warrants to Yiguo were not included in the computation of diluted earnings per share because they are anti-dilutive.

["] For the half year (including discontinued operation) ended 30 September 2017, the unlisted 166,666,667 warrants to Yiguo and the contingent shares were included in the computation of diluted earnings per share. The number of contingent shares is based on the number of shares issuable assuming the occurrence of loss events on 30 September 2017.

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.

	<u>As at</u>	<u>As at</u>
	<u>30-Sep-18</u>	<u>31-Mar-18</u>
	cents	cents
Group	1.58	2.07
Company	3.59	3.69
No of issued shares ('000)	718,784 #	719,725

Note :

[#] As at 30 September 2018, the number of issued shares excludes 940,600 treasury shares.

The calculation of net asset value per ordinary share is based on the number of ordinary shares of the Company as at 30 September 2018 and 31 March 2018 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.

2Q18/19 vs.2Q17/18

Material fluctuation in profit and loss and cash flow items :

- 1 The Group revenue increased by 44% to \$14.25 million in 2Q18/19 compared to \$9.92 million in 2Q17/18. The increase was mainly due to sales to Shanghai YiGuo E-Commence Co. Ltd and its related companies ("Yiguo"). The sales to Yiguo constituted 43% of the Group's revenue.
- 2 Gross loss for 2Q18/19 was \$1.46 million (gross margin of -10%) compared to gross profit of \$0.71 million (gross margin of 7%) in 2Q17/18. The negative gross margin was mainly due to seasonally low pricing of certain key products in China and the weakening of the Chinese yuan.
- 3 The increase in other income was mainly due to the net foreign exchange gain of \$0.47 million compare to net foreign exchange loss in 2Q17/18(Note 6).
- 4 The selling and distribution expenses were \$0.40 million in 2Q18/19 compared to \$0.58 million in 2Q17/18. This was mainly due to a higher volume of marketing activities, including sponsorship, carried out in 2Q17/18.
- 5 The administrative expenses were \$0.68 million in 2Q18/19 compared to \$1.25 million in 2Q17/18. This was mainly due to higher expenses in 2Q17/18 which included: a) a one-off of \$0.26 million for professional fees and printing costs incurred in relation to the disposal of subsidiaries, investment in Harvest Season Pte Ltd, and the placement of new shares and others; b) additional expenses of \$0.34 million for Enterprise Resource Planning (ERP) licensing, consultant fees and amortisation.
- 6 The other expenses were nil because there was no net foreign exchange losses in 2Q18/19 (Note 3) compared to \$0.19 million mainly due to net foreign exchange losses in 2Q17/18.
- 7 Loss from continuing operations for the period: -
The Group's loss from continuing operations before tax for 2Q18/19 was \$2.05 million compared to \$1.29 million for 2Q17/18. This was mainly due to gross loss of \$1.46 million as stated in item (2) above.
- 8 Profit from discontinued operations for the period: -
The Group's loss from discontinued operations for 2Q18/19 was \$0.05 million compared to a profit of \$0.95 million in 2Q17/18. This was mainly due to the \$0.67 million gain recognised from the disposal of subsidiaries and the tax refund of \$0.34 million for one of the disposed subsidiaries in September 2017.
- 9 The Group's total loss after tax for 2Q18/19 was \$2.10 million compared to \$0.34 million in 2Q17/18. This was mainly due to the gross loss of \$1.46 million as stated in item (2) above.
- 10 Operating cash flow
The Group net cash outflow from operating activities for 2Q18/19 was \$3.01 million compared to \$2.51 million in 2Q17/18. The increase in cash outflow was mainly due to operating losses and prompt payment to suppliers and offset by cash inflow from inventories sold.
- 11 Investing cash flow
The Group net cash inflow from investing activities for 2Q18/19 was \$0.01 million as there were no investment activitie, as compared to \$2.31 million for 2Q17/18 due to a one-off \$2.30 million of sales proceeds from subsidiaries disposed off in June 2017.
- 12 Financing cash flow
The Group net cash outflow from financing activities for 2Q18/19 was \$0.05 million due to a share buyback exercise as compared to the net inflow of \$14.99 million for 2Q17/18 due to a one-off \$15 million issuance of placement shares to Yiguo in July 2017.

Material fluctuation in profit and loss and cash flow items :

- 13 The Group revenue increased by 88% to \$30.19 million in 1HY18/19 compared to \$16.09 million in 1H17/18. The increase was mainly due to sales to Shanghai YiGuo E-Commence Co. Ltd and its related companies ("Yiguo"). The sales to Yiguo constituted 42% of the Group's revenue.
- 14 Gross loss for 1HY18/19 was \$1.09 million (gross margin of -4%) compared to gross profit of \$1.19 million (gross margin of 8%) in 1HY17/18. The negative gross margin was mainly due to the reason as stated in item (2) above.
- 15 The increase in other income was mainly due to the net foreign exchange gain of \$0.41 million and the government grant of \$0.06 million from the Productivity and Innovation Credit Scheme - IRAS in 1HY18/19.
- 16 The selling and distribution expenses were \$0.87 million in 1HY18/19 compared to \$0.92 million in 1HY17/18. The decrease was mainly due to the decrease in sponsorship and marketing expenses as stated in item (4) above.
- 17 The administrative expenses were \$1.43 million in 1HY18/19 compared to \$1.86 million in 1HY17/18. The decrease was mainly due to higher expenses in 1HY17/18 which included: a) one-off expenses of \$0.26 million of professional fees and printing costs incurred in relation to the disposal of subsidiaries, investment in Harvest Season Pte Ltd and the placement of new shares and others; b) additional expenses of \$0.34 million of Enterprise Resource Planning (ERP) licensing, consultant fees and amortisation.
- 18 The other expenses were nil in 1HY18/19 because there were no net foreign exchange losses compared to \$0.21 million in 1HY17/18. The other expenses in 1HY17/18 mainly pertained to incurred foreign exchange loss.
- 19 Loss from continuing operations for the period: -
The Group's loss from continuing operations before tax for 1HY18/19 was \$2.89 million compared to \$1.77 million for 1HY17/18. The loss was mainly due to the reason stated in item (14) above.
- 20 Profit from discontinued operations for the period: -
The Group's loss from discontinued operations for 1HY18/19 was S\$1.40 million compared to a profit of \$4.02 million in 1HY17/18. This was mainly due to the gain of \$1.55 million recognised from the disposal of subsidiaries in 1HY18/19 compared to the \$3.71 million gain recognised from disposal of subsidiaries and the tax refund of \$0.34 million in 1HY17/18.
- 21 The Group's total loss after tax for 1HY18/19 was \$1.49 million compared to a profit of \$2.25 million in 1HY17/18. This was mainly due to the gross loss of \$1.09 million in 1HY18/19 and the lower gain from disposal of subsidiaries as stated in item (14) and (20) above.
- 22 Operating cash flow:-
The Group net cash outflow from operating activities for 1HY18/19 was \$7.39 million compared to \$3.81 million in 1HY17/18. The reason was stated in item (10) above.
- 23 Investing cash flow:-
The Group net cash inflow from investing activities for 1HY18/19 was \$0.03 million because there were no investment activities as compared to \$4.91 million for 1HY17/18, due to an one-off proceeds of \$4.89 million from subsidiaries disposed off in June 2017.
- 24 Financing cash flow:-
The Group net cash outflow from financing activities for 1HY18/19 was \$0.05 million as compared to the net inflow of \$14.99 million for 1HY17/18. The reason was stated in item (12) above.

Material fluctuation in balance sheet items :

- 24a) Decrease in cash and cash equivalent was mainly due to the cash outflow in operating activities as stated in item (22) above.
- (b) Increase in trade receivables was mainly due to increase in credit sales and longer trade receivables turnover days for 1HY18/19.
- (c) Decrease in other receivables was mainly due to the refund from a supplier relating to advance payments placed with supplier for certain project and offset by the increase in VAT receivables in China.
- (d) Decrease in deposits and prepayments was mainly due to the amortisation of prepaid license fees of \$0.08 million for the ERP system.
- (e) Decrease in inventories was mainly due to faster inventory turnover for the 1HY18/19 which is inline with the increase in sales.
- (f) Decrease in trade payables was mainly due to prompt payment made to trade creditors with shorter trade payables turnover days for 1HY18/19 as stated in item (22) above.
- (g) Decrease in other reserves was mainly due to a) disposal of oversea subsidiaries which the foreign currency translation reserve amounting to \$1.54 million being recognised as a gain on disposal of subsidiaries in 1Q18/19, b) \$0.52 million of foreign currency translation loss in 2Q18/19, c) the treasury shares buyback of \$0.05 million.
- (h) Increase in finance liabilities was mainly due to the purchase of a new copier under finance lease amounting to \$0.01million in 2Q18/19.

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 operating environment remains challenging and competitive. The Group will continue to focus on its value added fresh fruit products and processed fruit products in China and South East Asia.

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/recommendeded, a statement to that effect.

No dividend has been recommended.

No. 13 Interested Person Transactions

The Group has obtained a general mandate from shareholders for Interested Person Transactions on 11 January 2018

The aggregate value of interested person transactions entered into during the half year ended 30 September 2018 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	12,754	12,754

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)

Yes.

SUNMOON FOOD COMPANY LIMITED
Company Registration Number 198304656K

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705 (5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 30 September 2018 to be false or misleading in any material aspect.

On behalf of the Directors

(signed)
Mr Gary Loh Hock Chuan
Director

(signed)
Ms Ng Bie Tjin @Djuniarti Intan
Director

14 November 2018