

Half Year Financial Statement and Related Dividend Announcement For the Half Year Period ended 31 March 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of profit or loss and other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Six months financial period ended 31 March 2016 ("1HY2016") vs Six months financial period ended 31 March 2015 ("1HY2015"))

| | Unaudited | | Increase/ (Decrease) % |
|---------------------------------------|----------------------------|----------------------------|------------------------------|
| | 1HY2016 S\$'000 | 1HY2015 S\$'000 | |
| Revenue | 16,050 | 16,778 | (4) |
| Other operating income | 552 | 386 | 43 |
| Changes in inventories | (626) | (21) | NM |
| Purchase of materials | (2,190) | (3,022) | (28) |
| Employee benefits expense | (2,356) | (2,220) | 6 |
| Depreciation and amortisation expense | (227) | (220) | 3 |
| Rental expenses | (56) | (56) | - |
| Amortisation of biological assets | (7,553) | (7,851) | (4) |
| Other operating expenses | (2,232) | (1,956) | 14 |
| Finance costs | (79) | (104) | (24) |
| Profit before income tax | 1,282⁽¹⁾ | 1,715⁽¹⁾ | (25) |
| Income tax (expense)/credit | (192) | 29 | NM |
| Profit for the period | 1,090 | 1,744 | (38) |
| | | | |

⁽¹⁾ As a result of rounding differences, numbers or percentages may not add up to the total.
NM – Not Meaningful

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
(1HY2016 vs 1HY2015)**

| | Unaudited | | Increase/ (Decrease) % |
|--|----------------------------|----------------------------|------------------------------|
| | 1HY2016 S\$'000 | 1HY2015 S\$'000 | |
| Other comprehensive income : <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Exchange differences on translation of foreign operation | 8 | 53 | (85) |
| Other comprehensive income for the period, net of tax | 8 | 53 | (85) |
| Total comprehensive income for the period | 1,097⁽¹⁾ | 1,796⁽¹⁾ | (39) |
| Profit attributable to: | | | |
| Owners of the Company | 1,076 | 1,832 | (41) |
| Non-controlling interests | 14 | (88) | NM |
| | 1,090 | 1,744 | (38) |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | 1,084 | 1,884 | (42) |
| Non-controlling interests | 14 | (88) | NM |
| | 1,097⁽¹⁾ | 1,796 | (39) |

Notes to Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Unaudited | | Increase/ (Decrease) % |
|--|--------------------|--------------------|------------------------------|
| | 1HY2016 S\$'000 | 1HY2015 S\$'000 | |
| Interest income | 2 | 1 | 100 |
| Gain/(loss) on disposal of property, plant and equipment | 2 | (3) | NM |
| Government grants | 318 | 143 | 122 |
| Allowance for doubtful trade receivables, net | (13) | (1) | NM |
| Biological assets written off | (988) | (646) | 53 |
| Net foreign exchange (loss)/gain | (48) | 69 | NM |

⁽¹⁾ As a result of rounding differences, numbers or percentages may not add up to the total.

NM – Not Meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

| Statements of Financial Position | Group | | Company | |
|---|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | 31/03/2016 Unaudited S\$'000 | 30/09/2015 Audited S\$'000 | 31/03/2016 Unaudited S\$'000 | 30/09/2015 Audited S\$'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and bank balances | 5,892 | 5,553 | 2,982 | 2,211 |
| Trade receivables | 4,793 | 5,195 | - | - |
| Other receivables | 437 | 533 | 308 | 1,694 |
| Inventories | 1,490 | 2,119 | - | - |
| | 12,612 | 13,400 | 3,290 | 3,904 ⁽¹⁾ |
| Assets classified as held for sale ⁽²⁾ | 14,266 | - | - | - |
| Total current assets | 26,878 | 13,400 | 3,290 | 3,904 |
| Non-current assets | | | | |
| Other receivables | 25 | 55 | - | - |
| Property, plant and equipment | 4,605 | 18,272 | 28 | 31 |
| Land use rights | - | 1,199 | - | - |
| Biological assets | 6,620 | 6,309 | - | - |
| Investment in subsidiary corporations | - | - | 10,300 | 10,300 |
| Total non-current assets | 11,249 ⁽¹⁾ | 25,835 | 10,327 ⁽¹⁾ | 10,331 |
| Total assets | 38,127 | 39,235 | 13,618⁽¹⁾ | 14,235 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| Current portion of bank loans | 1,598 | 1,769 | - | - |
| Trade payables | 2,021 | 2,204 | 6 | 7 |
| Other payables | 4,849 | 2,237 | 250 | 423 |
| Current portion of finance leases | 167 | 1,726 | - | - |
| Income tax payable | 241 | 237 | - | - |
| | 8,876 | 8,172 ⁽¹⁾ | 256 | 431 ⁽¹⁾ |
| Liabilities associated with assets held for sale ⁽²⁾ | 3,269 | - | - | - |
| Total current liabilities | 12,146 ⁽¹⁾ | 8,172 | 256 | 431 |
| Non-current liabilities | | | | |
| Bank loans | 129 | 167 | - | - |
| Other payables | 169 | 3,474 | - | - |
| Finance leases | 275 | 2,789 | - | - |
| Deferred tax liabilities | 543 | 451 | - | - |
| Total non-current liabilities | 1,116 | 6,881 | - | - |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 13,292 | 13,292 | 13,292 | 13,292 |
| Capital reserve | 2 | 2 | - | - |
| Foreign exchange translation deficit | (9) | (17) | - | - |
| Retained earnings | 11,588 | 10,926 | 69 | 512 |
| Equity attributable to owners of the Company | 24,873 | 24,203 | 13,361 | 13,804 |
| Non-controlling interests | (8) | (22) | - | - |
| Total equity | 24,865 | 24,182 ⁽¹⁾ | 13,361 | 13,804 |
| Total liabilities and equity | 38,127 | 39,235 | 13,618⁽¹⁾ | 14,235 |

⁽¹⁾ As a result of rounding differences, numbers or percentages may not add up to the total.

⁽²⁾ Assets and liabilities were reclassified pursuant to the divestment of the Group's farm premises.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

| As at 31/03/2016 (Unaudited) | | As at 30/09/2015 (Audited) | |
|------------------------------|----------------------|----------------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| 5,034 | - | 3,495 | - |

Amount repayable after one year

| As at 31/03/2016 (Unaudited) | | As at 30/09/2015 (Audited) | |
|------------------------------|----------------------|----------------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| 404 | - | 2,956 | - |

Details of any collateral

Obligations under finance leases are secured over the leased assets and corporate guarantees provided by the Company to the financial institutions. Obligations under the bank loans are secured over the property at 8A Admiralty Street #07-18 Singapore 757437 ("**the Factory**") and corporate guarantees provided by the Company.

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

Consolidated Statement of Cash Flows

| | 1HY2016 Unaudited S\$'000 | 1HY2015 Unaudited S\$'000 |
|---|--|--|
| Operating activities | | |
| Profit before income tax | 1,282 | 1,715 |
| Adjustments for: | | |
| Interest expense | 79 | 104 |
| Interest income | (2) | (1) |
| Biological assets written off, net | 988 | 646 |
| Depreciation of property, plant and equipment | 224 | 218 |
| Amortisation of land use rights | 3 | 2 |
| Amortisation of biological assets | 7,553 | 7,851 |
| Allowance for doubtful trade receivables, net | 13 | 1 |
| (Gain)/Loss on disposal of property, plant and equipment, net | (2) | 3 |
| Government grant income | (318) | (143) |
| Operating cash flows before movements in working capital | 9,821 ⁽¹⁾ | 10,396 |
| Trade receivables | 389 | (217) |
| Other receivables | 127 | 102 |
| Inventories | 629 | 19 |
| Trade payables | (183) | (1,160) |
| Other payables | (538) | (2,453) |
| Cash generated from operations | 10,244 ⁽¹⁾ | 6,688 ⁽¹⁾ |
| Interest paid | (79) | (104) |
| Income tax (paid) refunded | (96) | 144 |
| Net cash from operating activities | 10,068⁽¹⁾ | 6,728 |
| Investing Activities | | |
| Advance payment for property, plant and equipment | - | (13) |
| Proceeds on disposal of property, plant and equipment | 21 | - |
| Purchases of property, plant and equipment ⁽²⁾ | (312) | (892) |
| Proceeds from disposal of biological assets | 112 | 279 |
| Purchases of biological assets | (8,218) | (8,207) |
| Interest received | 2 | 1 |
| Net cash used in investing activities | (8,395) | (8,832) |

Consolidated Statement of Cash Flows

| | 1HY2016 Unaudited S\$'000 | 1HY2015 Unaudited S\$'000 |
|--|--|--|
| Financing activities | | |
| Government grant deferred | 164 | 260 |
| Proceeds from bank loans | - | 300 |
| Proceeds from finance leases | - | 3,767 |
| Repayments of bank loans | (208) | (378) |
| Repayments of obligations under finance leases | (884) | (678) |
| Dividends paid | (414) | (372) |
| Contribution by non-controlling shareholders in subsidiary corporation | - | 30 |
| Net cash (used in) from financing activities | (1,342) | 2,929 |
| Net increase in cash and cash equivalents | 332 ⁽¹⁾ | 825 |
| Cash and cash equivalents at the beginning of the period | 5,450 | 3,905 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | 8 | 53 |
| Cash and cash equivalents at end of the period⁽³⁾ | 5,790 | 4,783 |

Notes:

⁽¹⁾ As a result of rounding differences, numbers or percentages may not add up to the total.

⁽²⁾ During 1HY2016, the Group acquired property, plant and equipment at an aggregate cost of \$391,511, of which \$80,000 was acquired under finance lease arrangements. Cash payments of \$311,511 were made to purchase the property, plant and equipment. During 1HY2015, the Group acquired property, plant and equipment at an aggregate cost of \$891,622 which was fully acquired by cash.

⁽³⁾ Cash and cash equivalents as at 31 March 2016 and 31 March 2015 comprised pledged fixed deposits and cash and bank balances as below.

| | 1HY2016 Unaudited S\$'000 | 1HY2015 Unaudited S\$'000 |
|---|--|--|
| Cash and bank balances | 5,892 | 4,885 |
| Pledged fixed deposits | (102) | (102) |
| Cash and cash equivalents in the statement of cash flows | 5,790 | 4,783 |

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 | Capital reserve | Foreign exchange translation reserve | Retained earnings | Attributable to owners of the Company | Non-controlling interests | Total |
|---|---------------|----------------------------|--------------------------------------|-------------------|---------------------------------------|---------------------------|-----------------------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Group (Unaudited) | | | | | | | |
| Balance as at 1 October 2015 | 13,292 | 2 | (17) | 10,926 | 24,203 | (22) | 24,182 |
| Total comprehensive income for the period: | | | | | | | |
| Profit for the period | - | - | - | 1,076 | 1,076 | 14 | 1,090 |
| Other comprehensive income for the period | - | - | 8 | - | 8 | - | 8 |
| Total | - | - | 8 | 1,076 | 1,084 | 14 | 1,097 ⁽¹⁾ |
| Transactions with owners, recognised directly in equity | | | | | | | |
| Dividends paid | - | - | - | (414) | (414) | - | (414) |
| Total | - | - | - | (414) | (414) | - | (414) |
| Balance as at 31 March 2016 | 13,292 | 2 | (9) | 11,588 | 24,873 | (8) | 24,865 |
| Group (Unaudited) | | | | | | | |
| Balance as at 1 October 2014 | 13,292 | (106) | 9 | 9,079 | 22,274 | 428 | 22,701 ⁽¹⁾ |
| Total comprehensive income for the period: | | | | | | | |
| Profit for the period | - | - | - | 1,832 | 1,832 | (88) | 1,744 |
| Other comprehensive income for the period | - | - | 53 | - | 53 | - | 53 |
| Total | - | - | 53 | 1,832 | 1,885 | (88) | 1,797 |
| Transactions with owners, recognised directly in equity | | | | | | | |
| Dividends paid | - | - | - | (372) | (372) | - | (372) |
| Equity contribution for non-controlling interests in subsidiary | - | (13) | - | - | (13) | 43 | 30 |
| Total | - | (13) | - | (372) | (385) | 43 | (342) |
| Balance as at 31 March 2015 | 13,292 | (120)⁽¹⁾ | 62 | 10,539 | 23,773⁽¹⁾ | 382⁽¹⁾ | 24,155⁽¹⁾ |

Statements of Changes in Equity

| | Share capital S\$'000 | Retained earnings S\$'000 | Total S\$'000 |
|---|--------------------------|------------------------------|------------------|
| Company (Unaudited) | | | |
| Balance as at 1 October 2015 | 13,292 | 512 | 13,804 |
| Profit for the period, representing total comprehensive income for the period | - | (29) | (29) |
| Dividends paid, representing transactions with owners recognised directly in equity | - | (414) | (414) |
| Balance as at 31 March 2016 | 13,292 | 69 | 13,361 |
| Company (Unaudited) | | | |
| Balance as at 1 October 2014 | 13,292 | 134 | 13,426 |
| Profit for the period, representing total comprehensive income for the period | - | 342 | 342 |
| Dividends paid, representing transactions with owners recognised directly in equity | - | (372) | (372) |
| Balance as at 31 March 2015 | 13,292 | 104 | 13,396 |

⁽¹⁾ As a result of rounding differences, numbers or percentages may not add up to the total.

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares 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.

There was no change in the Company's share capital since 30 September 2015. The issued and paid-up capital of the Company as at 31 March 2016 and 30 September 2015 was \$13,292,106 comprising 84,498,000 shares.

There were no outstanding options, convertibles or treasury shares as at 31 March 2016 and 31 March 2015.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

| | Company 31/3/2016 | Company 30/09/2015 |
|---|------------------------------|-------------------------------|
| Total number of issued shares excluding treasury shares | 84,498,000 | 84,498,000 |

There were no treasury shares as at 31 March 2016 and 30 September 2015.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable. The Company did not have treasury shares during and as at the end of the current six months financial period ended 31 March 2016.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's independent auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Save as disclosed in item 5 below, the 1HY2016 financial results have been prepared using the same accounting policies and methods of computation as presented in the Group's audited financial statements for the financial year ended 30 September 2015.

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 all new and/or revised Singapore Financial Reporting Standards ("**FRSs**") and interpretation of FRSs ("**INT FRSs**") that are relevant to its operations and effective for the financial period beginning on or after 1 October 2015.

The adoption of these new/revised FRSs and INT FRSs does not result in changes in the Group's accounting policies and has no material impact on the financial statements reported for the current financial period or prior financial periods.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

| | Group (unaudited) | |
|---|----------------------|---------|
| | 1HY2016 | 1HY2015 |
| Profit attributable to owners of the Company (S\$'000) | 1,076 | 1,832 |
| Basic and diluted earnings per share (" EPS ") in Singapore cents ⁽¹⁾ | 1.27 | 2.17 |

Notes:

⁽¹⁾ The basic and diluted EPS are computed based on the total number of issued shares in the Company of 84,498,000.

The basic and diluted EPS were the same as there were no potentially dilutive ordinary shares existing during the respective financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

| | Group | | Company | |
|---|-------------------------|-----------------------|-------------------------|-----------------------|
| | 31/03/2016 Unaudited | 30/09/2015 Audited | 31/03/2016 Unaudited | 30/09/2015 Audited |
| Net asset value per ordinary share based on total number of issued shares excluding treasury shares (Singapore cents) | 29.43 | 28.62 | 15.81 | 16.34 |
| Number of ordinary share in issue | 84,498,000 | 84,498,000 | 84,498,000 | 84,498,000 |

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**

Review of the Financial Performance of the Group (1HY2016 vs 1HY2015)

The Group recorded revenue of \$16.1 million in 1HY2016, representing a decrease of \$0.7 million or 4% as compared to \$16.8 million in 1HY2015. This was attributable to decreased sales of designer and generic eggs produced by the Group, as the Group enjoyed higher selling prices of eggs in Singapore due to reduction in imported eggs from Malaysia during 1HY2015.

Other operating income of the Group increased by \$0.2 million as the Group received a grant from SPRING Singapore in 1HY2016 for a farming project that the Group worked on with Ngee Ann Polytechnic of Singapore.

The decrease in inventories by \$0.6 million was mainly due to the increase in inventories of feed materials as at 30 September 2015 that was made in anticipation of feed raw material price increase in 1HY2016.

Purchase of materials decreased by \$0.8 million or 28%, from \$3.0 million in 1HY2015 to \$2.2 million in 1HY2016 due to the Group drawing on its feed raw material inventories.

Employee benefits expenses increased by \$0.2 million or 6% from \$2.2 million in 1HY2015 to \$2.4 million in 1HY2016. This was mainly attributable to (i) engagement of workers to support the operation of the bio gas plant (which has been successfully commissioned) during 1HY2016; and (ii) increase in permanent manpower in the packaging department to replace casual labour.

Depreciation and amortisation expenses remained at \$0.2 million for both 1HY2015 and 1HY2016 as the Group ceased all upgrading projects in view of the compulsory farm relocation.

Amortisation of biological assets decreased by \$0.3 million or 4%, from \$7.9 million in 1HY2015 to \$7.6 million in 1HY2016. This decrease was mainly due to the Group's ability to extend the average production cycle of its biological assets during the second half of financial year ended 30 September 2015. However the extended production cycle has raised the average mortality rate of the biological assets.

Other operating expenses increased by \$0.2 million or 14%, from \$2.0 million in 1HY2015 to \$2.2 million in 1HY2016. This was mainly due to a higher loss of \$0.3 million in the disposal/write-off of biological assets in 1HY2016 as the Group prolonged the average hen production cycle which caused an increase in the mortality rate of biological assets.

The Group provided for income tax of \$0.2 million in 1HY2016, which included deferred tax of \$0.1 million, as compared to a net tax credit of \$29,000 in 1HY2015. The tax credit was due to tax refunds of \$0.3 million received due to reassessment of prior years' taxes in 1HY2015.

Profit for the period decreased by \$0.6 million or 38% from \$1.7 million 1HY2015 to \$1.1 million in 1HY2016.

Review of the Financial Position of the Group

The Group's total assets decreased by \$1.1 million, from \$39.2 million as at 30 September 2015 to \$38.1 million as at 31 March 2016. The Group's current assets as at 31 March 2016 was \$26.9 million which accounted for 70% of the Group's total assets and represents an increase of \$13.5 million from \$13.4 million as at 30 September 2015. The increase was mainly due to (i) total properties, plant, equipment and land use rights of \$14.3 million, reclassified to current assets in view of the impending sale of these assets to the Singapore Land Authority ("**SLA**") in the second half of financial year ending 2016 ("**2HY2016**") (as defined herein) ("**Reclassification**") and (ii) increase in cash and bank balances of \$0.3 million, and partially offset by a reduction in (i) inventories of \$0.6 million and (ii) trade and other receivables of \$0.5 million in tandem with the reduction in sales.

The Group's non-current assets as at 31 March 2016 was \$11.2 million which accounted for 30% of the Group's total assets and represents a decrease of \$14.6 million from \$25.8 million as at 30 September 2015. The decrease was due to (i) the Reclassification and (ii) gross depreciation charge of \$1.0 million in HY2016, partially offset by an increase in (i) biological assets of \$0.3 million and (ii) purchase of plant and equipment of \$0.4 million during 1HY2016 for a chicken soup packaging equipment, a new delivery cold truck and other small equipment for day to day farm use.

The Group's total liabilities decreased by \$1.8 million, from \$15.1 million as at 30 September 2015 to \$13.3 million as at 31 March 2016, mainly due to (i) repayment of finance leases and loan of \$1.1 million during 1HY2016; and (ii) reduction in other payables of \$0.7 million as the Group recognised deferred government grant income of \$0.2 million and payment of accrued expenses of \$0.5 million in 1HY2016. Liabilities associated with assets held for sale of \$3.3 million relates to finance leases secured on the assets that will be sold to SLA, which will be repaid in 2HY2016 before the

sales takes place. As a result of the disposal of these assets, deferred government grants of \$3.0 million which was previously classified as non-current other liabilities is reclassified to current other payables as these government grants will be recognised as other income in 2HY2016.

The Group had a positive working capital of approximately \$14.7 million as at 31 March 2016, as compared to \$5.2 million as at 30 September 2015. The improvement was mainly due to the forthcoming sales of the Group's land, properties, plant and equipment, which resulted in the reclassification of some non-current assets and liabilities under current assets and liabilities.

Review of the Statement of Cash Flows for the Group

The Group's cash and cash equivalents increased by \$0.3 million, from \$5.5 million as at 30 September 2015 to \$5.8 million as at 31 March 2016.

The Group recorded net cash generated from operating activities of \$10.1 million in 1HY2016, an increase of \$3.4 million as compared to \$6.7 million in 1HY2015. The higher cash inflow was mainly due to an increase in the movement in working capital of \$0.4 million in 1HY2016 (as compared to a decrease in movement in working capital of \$3.7 million in 1HY2015) and offset by a reduction in operating cash flows before movements in working capital of \$0.6 million.

The Group utilised \$8.4 million in 1HY2016 in investing activities, a reduction of \$0.4 million as compared to \$8.8 million in 1HY2015, mainly due to a reduction in purchase of plant and equipment of \$0.6 million offset by a reduction in proceeds from the disposal of biological assets of \$0.2 million.

Net cash used in financing activities amounted to \$1.3 million in 1HY2016 as compared to net cash from financing activities of \$2.9 million in 1HY2015. This was mainly due to the absence of proceeds from bank loans and finance leases of \$4.1 million taken in 1HY2015 for the construction of biogas plant.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed.

10. A commentary at the date of the announcement of the significant trends and 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

We refer to the announcement released by the Company on 9 May 2016 in relation to, *inter alia*, the divestment of the Group's farm premises located at 20 Murai Farmway, Singapore 709153 and an agreed list of assets, to the Government and the purchase of a new site from the Government.

The Group, subject to the receipt of the proceeds and having made the respective adjustments on the relevant assets and liabilities, is expected to record a one-time other income of approximately \$27 million in FY2016.

The Group is expected to incur additional expenses in relation to the design and construction of the new farm.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable: Not applicable.

(d) Books closure date: Not applicable.

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

No dividends have been declared/recommended for 1HY2016.

13. On-going Interested Person Transactions

There were no interested person transactions for 1HY2016. The Company does not have a general mandate from its shareholders for recurrent interested person transactions.

14. Confirmation pursuant to Rule 720 (1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720 (1) of the SGX-ST Listing Manual.

15. Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual

We, Chew Chee Bin and Chew Eng Hoe, being two directors of the Company, hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 6 months period ended 31 March 2016 to be false and misleading in any material aspect.

On behalf of the Board of Directors:

Chew Chee Bin
Executive Chairman
10 May 2016

Chew Eng Hoe
Managing Director

By Order of the Board

Chew Chee Bin
Executive Chairman
10 May 2016