

Half Year Financial Statement and Related Dividend Announcement For the Half Year Period ended 31 March 2017

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.

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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 2017 ("1HY2017") vs Six months financial period ended 31 March 2016 ("1HY2016"))

	Unaudited		Increase/ (Decrease) %
	1HY2017 S\$'000	1HY2016 S\$'000	
Revenue	16,561	16,050	3
Other operating income	509	552	(8)
Changes in inventories	576	(626)	NM
Purchase of materials	(3,657)	(2,190)	67
Employee benefits expense	(2,458)	(2,356)	4
Depreciation and amortisation expense	(228)	(227)	-
Rental expenses	(59)	(56)	5
Amortisation of biological assets	(7,206)	(7,553)	(5)
Other operating expenses	(1,924)	(2,232)	(14)
Finance costs	(23)	(79)	(71)
Profit before income tax	2,091	1,282⁽¹⁾	63
Income tax expense	(432)	(192)	NM
Profit for the period	1,659	1,090	52

⁽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 (1HY2017 vs 1HY2016)

	Unaudited		Increase/ (Decrease) %
	1HY2017 S\$'000	1HY2016 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	NM
Other comprehensive income for the period, net of tax	-	8	NM
Total comprehensive income for the period	1,659	1,097⁽¹⁾	51
Profit attributable to:			
Owners of the Company	1,645	1,076	53
Non-controlling interests	14	14	-
	1,659	1,090	52
Total comprehensive income attributable to:			
Owners of the Company	1,645	1,084	52
Non-controlling interests	14	14	-
	1,659	1,097⁽¹⁾	51

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

	Unaudited		Increase/ (Decrease) %
	1HY2017 S\$'000	1HY2016 S\$'000	
Interest Income	174	2	NM
Gain on disposal of property, plant and equipment	8	2	NM
Government grants	34	318	(89)
Allowance for doubtful trade receivables, net	(3)	(13)	(77)
Biological assets written off	(617)	(988)	(38)
Net foreign exchange gain(loss)	182	(48)	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

Statement of Financial Position	Group		Company	
	31/03/2017 Unaudited S\$'000	30/09/2016 Audited S\$'000	31/03/2017 Unaudited S\$'000	30/09/2016 Audited S\$'000
ASSETS				
Current assets				
Cash and bank balances	43,872	45,310	3,025	3,341
Trade receivables	4,702	4,489	-	-
Other receivables	320	393	299	842
Inventories	1,750	1,200	-	-
Total current assets	50,644	51,391 ⁽¹⁾	3,324	4,183
Non-current assets				
Property, plant and equipment	3,899	4,251	21	24
Land use rights	3,980	4,049	-	-
Biological assets	7,527	6,544	-	-
Investment in subsidiary corporations	-	-	10,284	10,300
Deferred tax assets	64	31	-	-
Total non-current assets	15,469 ⁽¹⁾	14,875	10,305	10,324
Total assets	66,113	66,266	13,629	14,507
LIABILITIES AND EQUITY				
Current liabilities				
Current portion of bank loans	1,250	1,431	-	-
Trade payables	1,876	1,818	2	-
Other payables	4,747	4,751	258	687
Current portion of finance leases	182	179	-	-
Income tax payable	1,416	2,101	-	-
Total current liabilities	9,471	10,280	260	687
Non-current liabilities				
Bank loans	52	91	-	-
Other payables	3,517	3,977	-	-
Finance leases	114	206	-	-
Total non-current liabilities	3,683	4,273 ⁽¹⁾	-	-
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)	(9)	-	-
Retained earnings	39,654	38,423	76	528
Equity attributable to owners of the Company	52,938 ⁽¹⁾	51,707 ⁽¹⁾	13,368	13,820
Non-controlling interests	20	6	-	-
Total equity	52,958	51,713	13,368	13,820
Total liabilities and equity	66,113⁽¹⁾	66,266	13,629⁽¹⁾	14,507

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

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

Amount repayable in one year or less, or on demand

As at 31/03/2017 (Unaudited)		As at 30/09/2016 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,432	-	1,610	-

Amount repayable after one year

As at 31/03/2017 (Unaudited)		As at 30/09/2016 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
166	-	297	-

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

	1HY2017 Unaudited S\$'000	1HY2016 Unaudited S\$'000
Operating activities		
Profit before income tax	2,091	1,282
Adjustments for:		
Interest expense	23	79
Interest income	(174)	(2)
Biological assets written off, net	617	988
Depreciation of property, plant and equipment	160	224
Amortisation of land use rights	68	3
Amortisation of biological assets	7,206	7,553
Allowance for doubtful trade receivables, net	3	13
Gain on disposal of property, plant and equipment, net	(8)	(2)
Government grant income	(34)	(318)
Operating cash flows before movements in working capital	9,952	9,821 ⁽¹⁾
Trade receivables	(216)	389
Other receivables	72	127
Inventories	(550)	629
Trade payables	59	(183)
Other payables	(430)	(538)
Cash generated from operations	8,888 ⁽¹⁾	10,244 ⁽¹⁾
Interest paid	(23)	(79)
Income tax paid	(1,149)	(96)
Net cash from operating activities	7,716	10,068⁽¹⁾
Investing activities		
Proceeds from disposal of property, plant and equipment	10	21
Purchases of property, plant and equipment ⁽²⁾	(66)	(312)
Proceeds from disposal of biological assets	316	112
Purchases of biological assets	(8,865)	(8,218)
Interest received	174	2
Net cash used in investing activities	(8,430)⁽¹⁾	(8,395)

Consolidated Statement of Cash Flows

	1HY2017 Unaudited S\$'000	1HY2016 Unaudited S\$'000
Financing activities		
Government grant deferred	-	164
Repayments of bank loans	(220)	(208)
Repayments of obligation under finance leases	(89)	(884)
Dividends paid	(414)	(414)
Net cash used in financing activities	(723)	(1,342)
Net (decrease)increase in cash and cash equivalents	(1,438) ⁽¹⁾	332 ⁽¹⁾
Cash and cash equivalents at beginning of the period	45,207	5,450
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	8
Cash and cash equivalents at end of the period⁽³⁾	43,770⁽¹⁾	5,790

Notes:

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

⁽²⁾ In 1HY2017, the Group acquired property, plant and equipment at an aggregate cost of \$65,869, fully acquired by cash. In 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 and \$311,511 was paid in cash.

⁽³⁾ Cash and cash equivalents as at 31 March 2017 and 31 March 2016 comprised pledged fixed deposits and cash and bank balances as below.

	1HY2017 Unaudited S\$'000	1HY2016 Unaudited S\$'000
Cash at bank	3,694	5,790
Fixed deposits	40,178	102
Cash and bank balances	43,872	5,892
Less: Pledged fixed deposits	(103)	(102)
Cash and cash equivalents in the consolidated statement of cash flows	43,770⁽¹⁾	5,790

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 S\$'000	Capital reserve S\$'000	Foreign exchange translation deficit S\$'000	Retained earnings S\$'000	Attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Group (Unaudited)							
Balance at 1 October, 2016	13,292	2	(9)	38,423	51,707 ⁽¹⁾	6	51,713
Total comprehensive income for the period:							
Profit for the period	-	-	-	1,645	1,645	14	1,659
Other comprehensive income for the period	-	-	-	-	-	-	-
Total	-	-	-	1,645	1,645	14	1,659
Transactions with owners, recognised directly in equity:							
Dividends paid	-	-	-	(414)	(414)	-	(414)
Total	-	-	-	(414)	(414)	-	(414)
Balance at 31 March, 2017	13,292	2	(9)	39,654	52,938⁽¹⁾	20	52,958
Group (Unaudited)							
Balance 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 at 31 March, 2016	13,292	2	(9)	11,588	24,873	(8)	24,865

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

Statements of Changes in Equity

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
Company (Unaudited)			
Balance at 1 October, 2016	13,292	528	13,820
Loss for the year, representing total comprehensive loss for the period	-	(38)	(38)
Dividends paid, representing transactions with owners recognised directly in equity	-	(414)	(414)
Balance at 31 March, 2017	13,292	76	13,368
Company (Unaudited)			
Balance at 1 October, 2015	13,292	512	13,804
Loss for the year, representing total comprehensive loss for the period	-	(29)	(29)
Dividends paid, representing transactions with owners recognised directly in equity	-	(414)	(414)
Balance at 31 March, 2016	13,292	69	13,361

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's share capital since 30 September 2016. The issued and paid-up capital of the Company as at 31 March 2017 and 30 September 2016 was \$13,292,106 comprising 84,498,000 shares.

There were no outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 March 2017 and 31 March 2016.

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 31/3/2017	Company 30/09/2016
Total number of issued shares excluding treasury shares	84,498,000	84,498,000

There were no treasury shares as at 31 March 2017 and 30 September 2016.

1(d)(iv) A statement showing all sales, transfers, 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 2017.

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

Not applicable. There were no subsidiary holdings during and as at the end of the current six months financial period ended 31 March 2017

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 1HY2017 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 2016.

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 2016.

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)	
	1HY2017	1HY2016
Profit attributable to owners of the Company (S\$'000)	1,645	1,076
Basic and diluted earnings per share (" EPS ") in Singapore cents ⁽¹⁾	1.95	1.27

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	
	31/03/2017 Unaudited	30/09/2016 Audited	31/03/2017 Unaudited	30/09/2016 Audited
Net asset value per ordinary share based on total number of issued shares excluding treasury shares (Singapore cents)	62.65	61.19	15.82	16.36
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 (1HY2017 vs 1HY2016)

The Group recorded revenue of \$16.6 million in 1HY2017, an increase of \$0.5 million or 3% as compared to \$16.1 million in 1HY2016. This was mainly due to higher sales of designer and generic eggs of \$0.3 million and spent grains of \$0.1 million.

Other operating income of the Group decreased by \$0.1 million, from \$0.6 million in 1HY2016 to \$0.5 million in 1HY2017. The decrease was due to (i) lower government grant income of \$0.3 million and (ii) offset by an increase in foreign exchange gain of \$0.2 million and interest income of \$0.2 million. The interest income was derived from short term fixed deposits placed with a bank.

The Group's inventories increased by \$0.6 million, from \$1.2 million as at 30 September 2016 to \$1.8 million as at 31 March 2017 as the Group builds its inventories in feeds raw materials in anticipation of higher feed prices in the second half of financial year 2017.

Purchase of materials increased by \$1.5 million or 67%, from \$2.2 million in 1HY2016 to \$3.7 million in 1HY2017, of which (i) \$0.6 million was kept as inventories. The balance increase of \$0.9 million was due to (ii) an increase in prices of feed material which resulted in higher material cost of \$0.6 million, (iii) increased usage of packaging materials by \$0.1 million and (iv) increase in purchase of spent grains of \$0.1 million to support the higher sales of spent grains.

Employee benefits expenses increased by \$0.1 million or 4% from \$2.4 million in 1HY2016 to \$2.5 million in 1HY2017. This was mainly attributable to the accrual of performance bonus of \$0.2 million in 1HY2017.

Depreciation and amortisation expenses remained at \$0.2 million for both 1HY2016 and 1HY2017.

Amortisation of biological assets decreased by \$0.3 million or 5%, from \$7.5 million in 1HY2016 to \$7.2 million in 1HY2017. The decrease was due to the Group's ability to further extend the average production cycle of its biological assets during the second half of FY2016.

Other operating expenses decreased by \$0.3 million or 14%, from \$2.2 million in 1HY2016 to \$1.9 million in 1HY2017. This was mainly due to lower loss from the disposal/write-off of biological assets by \$0.4 million, mainly due to higher revenue from the sales of spent hens in 1HY2017.

The Group's finance expenses decreased by \$56,000, from \$79,000 in 1HY2016 to \$23,000 in 1HY2017. The decrease in interest paid in 1HY2017 was due to early settlement of finance leases as the Company disposed a major portion of the plant and machineries in May 2016.

Income tax expense increased by \$0.2 million to \$0.4 million in 1HY2017. This was due to additional income tax on prior years' income of \$0.1 million paid in 1HY2017 and higher provision of current year income tax of \$0.1 million as the Group's profit increased in 1HY2017.

Profit for the period increased by \$0.6 million or 52% from \$1.1 million in 1HY2016 to \$1.7 million in 1HY2017.

Review of the Financial Position of the Group

The Group's total assets decreased by \$0.2 million, from \$66.3 million as at 30 September 2016 to \$66.1 million as at 31 March 2017. The Group's current assets as at 31 March 2017 was \$50.6 million which accounted for 77% of the Group's total assets and represents a decline of \$0.8 million from \$51.4 million as at 30 September 2016. The decrease was due to a decrease in cash and bank balances of \$1.4 million as the Group made income tax payment of \$1.1 million in 1HY2017, and partially offset by an increase in inventories of \$0.6 million and trade and other receivables of \$0.1 million.

The Group's non-current assets as at 31 March 2017 was \$15.5 million which accounted for 23% of the Group's total assets and represents an increase of \$0.6 million from \$14.9 million as at 30 September 2016. The increase was mainly due to increase in the value of biological assets by \$1.0 million and partially offset by a decrease in property, plant and equipment of \$0.4 million due to depreciation.

The Group's total liabilities decreased by \$1.4 million, from \$14.6 million as at 30 September 2016 to \$13.2 million as at 31 March 2017, mainly due to (i) reduction in income tax payable of \$0.7 million as the Group made payment of \$1.1 million during 1HY2017 and partially offset by the current year tax provision of \$0.4 million; (ii) repayment of finance leases and loan of \$0.3 million during 1HY2017; and (iii) reduction in other payables of \$0.4 million, as the Group paid off its accrued expenses in 1HY2017.

The Group maintained a positive working capital of approximately \$41.2 million as at 31 March 2017.

Review of the Statement of Cash Flows for the Group

The Group's cash and cash equivalents decreased by \$1.4 million, from \$45.2 million as at 30 September 2016 to \$43.8 million as at 31 March 2017.

The Group recorded net cash from operating activities of \$7.7 million in 1HY2017, a reduction of \$2.4 million as compared to \$10.1 million in 1HY2016. The lower cash inflow was mainly due to less movement in working capital of \$1.5 million and higher income tax payment of \$1.1 million.

The Group utilised \$8.4 million in investing activities in both 1HY2017 and 1HY2016. The increase in purchase of biological assets of \$0.6 million was offset by (i) reduction of \$0.2 million in purchase of plant and equipment, (ii) increase in sales of spent hens of \$0.2 million and (iii) higher interest income of \$0.2 million.

Net cash used in financing activities amounted to \$0.7 million in 1HY2017, a reduction of \$0.6 million as compared to \$1.3 million in 1HY2016. This was mainly due to

reduced repayment of bank loans and finance leases of \$0.8 million in 1HY2017 and partially offset by the absence of government grant of \$0.2 million in 1HY2017.

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

While resources will continue to be channelled towards developing farm facilities at the new site, the Group will continue to operate at the existing site. The Group is presently exploring opportunities on possible strategic alliances to enhance production efficiency at the new site.

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 1HY2017.

13. On-going Interested Person Transactions

There were no interested person transactions for 1HY2017. 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 2017 to be false and misleading in any material aspect.

On behalf of the Board of Directors:

Chew Chee Bin
Executive Chairman
9 May 2017

Chew Eng Hoe
Managing Director

By Order of the Board

Chew Chee Bin
Executive Chairman
9 May 2017