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EGGRICULTURE FOODS LTD.

永續農業發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8609)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

The board (the "**Board**") of directors ("**Directors**") of Eggriculture Foods Ltd. (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 September 2018. This announcement, containing the full text of the 2018 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange (the "**GEM Listing Rules**") in relation to information to accompany preliminary announcements of interim results.

By order of the Board
Eggriculture Foods Ltd.
Mr. Ma Chin Chew
Chairman, Executive Director and Chief Executive Officer

Singapore, 7 November 2018

As at the date of this announcement, the executive Directors are Mr. Ma Chin Chew (Chairman and Chief Executive Officer), Ms. Lim Siok Eng and Mr. Tang Hong Lai; and the independent non-executive Directors are Mr. Teo Beng Fwee, Mr. Yuen Ka Lok Ernest and Mr. Sneddon Donald William.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at eggstory.com.sg.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the "Directors") of Eggriculture Foods Ltd. (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

Unaudited Interim Results

The board of Directors (the "Board") of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2018 together with the relevant comparative figures. The information should be read in conjunction with the prospectus of the Company dated 23 August 2018 (the "Prospectus"). Capitalised terms used in this report shall have the same respective meaning as those defined in the Prospectus unless otherwise stated.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2018

		Six months ended 30 September					
		2018			2017		
	Note	Results before biological assets and agricultural produce fair value adjustments S$'000 (unaudited)	Biological assets and agricultural produce fair value adjustments S$'000 (unaudited)	Total S$'000 (unaudited)	Results before biological assets and agricultural produce fair value adjustments S$'000 (unaudited)	Biological assets and agricultural produce fair value adjustments S$'000 (unaudited)	Total S$'000 (unaudited)
Revenue	3	15,066	–	15,066	12,182	–	12,182
Cost of sales	7	(12,096)	(1,118)	(13,214)	(9,191)	(1,470)	(10,661)
Gross profit		2,970	(1,118)	1,852	2,991	(1,470)	1,521
Other income	4	211	–	211	72	–	72
Other (losses)/gains – net	5	(144)	–	(144)	67	–	67
Gain arising from initial recognition of agricultural produce at fair value less estimated point-of-sales costs at point of harvest		–	1,135	1,135	–	1,478	1,478
Gain/(loss) arising from changes in fair value of biological assets less estimated point-of-sale costs		–	836	836	–	(380)	(380)
Selling and distribution expenses	7	(1,271)	–	(1,271)	(1,090)	–	(1,090)

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 September 2018

		Six months ended 30 September					
		2018			2017		
	Note	Results before biological assets and agricultural produce fair value adjustments S$'000 (unaudited)	Biological assets and agricultural produce fair value adjustments S$'000 (unaudited)	Total S$'000 (unaudited)	Results before biological assets and agricultural produce fair value adjustments S$'000 (unaudited)	Biological assets and agricultural produce fair value adjustments S$'000 (unaudited)	Total S$'000 (unaudited)
Administrative expenses							
– Listing expenses	7	**(1,605)**	**–**	**(1,605)**	(392)	–	(392)
– Others	7	**(914)**	**–**	**(914)**	(554)	–	(554)
Finance costs	6	**(187)**	**–**	**(187)**	(99)	–	(99)
(Loss)/profit before tax		**(940)**	**853**	**(87)**	995	(372)	623
Income tax expense	8	**(148)**	**–**	**(148)**	(297)	–	(297)
(Loss)/profit after tax and total comprehensive (expense)/income for the period attributable to equity holders of the company		**(1,088)**	**853**	**(235)**	698	(372)	326
(Loss)/earnings per share							
Basic and diluted (S$ – in cents)	9			**(0.06)**			0.09

Condensed Consolidated Statement of Financial Position

As at 30 September 2018

	Note	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
ASSETS			
Non-current assets			
Biological assets	11	**2,297**	1,169
Property, plant and equipment	12	**10,255**	10,418
Intangible assets		**217**	224
Investments in insurance contracts		**2,104**	2,002
Land lease payment	13	**2,840**	2,900
		17,713	16,713
Current assets			
Biological assets	11	**538**	910
Inventories		**1,471**	1,367
Trade and other receivables	14	**5,870**	4,979
Pledged deposit		**254**	254
Cash at bank and on hand		**8,445**	799
		16,578	8,309
Total assets		**34,291**	25,022
LIABILITIES			
Non-current liabilities			
Other payables	15	**237**	263
Finance lease liabilities		**1,775**	2,175
Bank borrowings		**3,297**	1,829
Deferred income tax liabilities		**555**	588
		5,864	4,855

Condensed Consolidated Statement of Financial Position
As at 30 September 2018

	Note	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
Current liabilities			
Trade and other payables	*15*	**3,517**	3,366
Current income tax liabilities		**102**	30
Finance lease liabilities		**1,005**	992
Bank borrowings		**3,980**	4,122
		8,604	8,510
Total liabilities		**14,468**	13,365
NET ASSETS		**19,823**	11,657
EQUITY			
Share capital	*16*	**890**	10,000
Reserves		**18,933**	1,657
Total equity		**19,823**	11,657

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2018

	Share capital	Share premium	Other reserve *(Note)*	Retained earnings	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000
At 1 April 2017 (audited)	10,000	–	–	1,184	11,184
Profit and total comprehensive income for the period	–	–	–	326	326
At 30 September 2017 (unaudited)	10,000	–	–	1,510	11,510
At 1 April 2018 (audited)	**10,000**	**–**	**–**	**1,657**	**11,657**
Loss and total comprehensive expense for the period	**–**	**–**	**–**	**(235)**	**(235)**
Dividends declared prior to reorganisation	**–**	**–**	**–**	**(800)**	**(800)**
Group reorganisation *(Note 16(e))*	**(10,000)**	**–**	**9,767**	**–**	**(233)**
Issue of shares under share offer *(Note 16(g))*	**222**	**10,904**	**–**	**–**	**11,126**
Expenses incurred in connection with the issue of shares	**–**	**(1,692)**	**–**	**–**	**(1,692)**
Capitalisation of issue shares *(Note 16(f))*	**668**	**(668)**	**–**	**–**	**–**
At 30 September 2018 (unaudited)	**890**	**8,544**	**9,767**	**622**	**19,823**

Note:

Other reserve represents the difference between consideration paid and share capital of entities under common control acquired.

Condensed Consolidated Statement of Cash Flow

For the six months ended 30 September 2018

	Six months ended 30 September	
	2018	2017
	S$'000	S$'000
	(unaudited)	(unaudited)
Net cash (used in)/generated from operating activities	**(500)**	1,766
Net cash used in investing activities	**(1,038)**	(1,255)
Net cash generated from/(used in) financing activities	**9,184**	(890)
Net increase/(decrease) in cash and cash equivalents	**7,646**	(379)
Cash and cash equivalents at beginning of the period	**799**	1,915
Cash and cash equivalents at end of the period	**8,445**	1,536

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 12 February 2018 as an exempted company with limited liability. The registered address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman 1-1111, Cayman Islands and principal place of business in Hong Kong is Unit 1306, 13/F, Mirror Tower, 61 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong. The immediate and ultimate holding company of the Company is Radiant Grand International Limited ("Radiant Grand"), a company which was incorporated in the British Virgin Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the production and sale of fresh eggs and processed egg products in Singapore (the "Listing Business").

The shares of the Company were listed on GEM of the Stock Exchange (the "Listing") on 7 September 2018 (the "Listing Date").

Pursuant to a group reorganisation (the "Reorganisation") to rationalise the structure of the Group in preparation for the Listing, the Company became the holding company of the Group. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus.

2. BASIS OF PRESENTATION AND PREPARATION

Prior to the Reorganisation (the "Reorganisation") as mentioned above, the Listing Business was carried out by N & N Agriculture Pte. Ltd. ("N&N"), The Pasteurized Egg Company Pte. Ltd. ("TPEC") and Egg Story Limited now comprising the Group (collectively the "Existing Subsidiaries") which were all under the control of Mr. Ma Chin Chew ("Mr. Ma"), the controlling shareholder of the Company. Chuan Seng Huat Eggs Pte. Ltd. and Golden Hoyo Pte Ltd (collectively the "Acquired Subsidiaries" were acquired by N&N from third parties in May 2017.

Immediately prior to and after the Reorganisation, the Listing Business is conducted by the Existing Subsidiaries and the Acquired Subsidiaries which became subsidiaries of the Company pursuant to the Reorganisation. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the ultimate owners of the Listing Business remain the same. Accordingly, the financial information of the Existing Subsidiaries now comprising the Group is presented using their carrying values for the comparative period presented. For the Acquired Subsidiaries acquired from third parties, they are included in the comparative financial information of the Group from the date of acquisition.

Inter-company transactions, balances and unrealised gains/losses on transactions between companies now comprising the Group are eliminated.

The unaudited condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which comprise all standards and interpretations) issued by the International Accounting Standards Board (the "IASB") and the applicable disclosure requirements of the GEM Listing Rules.

2. BASIS OF PRESENTATION AND PREPARATION *(Continued)*

The unaudited condensed consolidated financial statements are presented in Singapore dollar ("S$") and all values are rounded to the nearest thousand ("S$'000") except when otherwise indicated. The comparative financial information has been prepared under the historical cost convention, as modified by the revaluation of biological assets and agricultural produce. The investments in insurance contracts are subsequently stated at the cash surrender value. The condensed consolidated financial statements for the six months ended 30 September 2018 have not been audited by the Company's independent auditor, but have been reviewed by the audit committee of the Board (the "Audit Committee").

The preparation of unaudited condensed consolidated results in conformity with IFRSs requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The basis of preparation and accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the preparation of the accountant's report included in Appendix I of the Prospectus, except for those that relate to new standards or interpretations effective for the first time for the annual period beginning on or after 1 April 2018.

The IASB has issued a number of new or amended IFRSs that become effective for the first time for the current accounting period. Of these, the followings are relevant to the Group's unaudited condensed consolidated financial statements:

(a) IFRS 9, Financial Instruments

This is to replace IFRS 39 that relates to recognition, classifications and measurements of financial assets and financial liabilities, recognition of financial instruments and impairment of financial assets. The main impact of adopting the above on the Group's accounting policies is as follows:

From 1 April 2018, the Group classifies its financial assets into those to be measured subsequently at fair value (either through other comprehensive income or profit or loss) and those to be measured at amortised costs.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. At initial recognition, financial assets are measured at fair value plus transactions costs for those financial assets not at fair value through profit or loss. Transactions costs relating to financial assets at fair value through profit and loss are expensed to profit or loss. For trade receivables, the Group assesses on a forward-looking basis using the expected lifetime credit losses for impairment. The accounting policy is adopted retrospectively with no financial impact from its adoption.

(b) IFRS 15, Revenue from contracts with customers

This is to replace IFRS 18, Revenue and IFRS 11, Constructions Contracts. The main impact of adopting the above on the Group's accounting policies is as follows:

Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products. No element of financing is deemed present as the sales are made with a credit term ranged up to 65 days. The accounting policy is adopted retrospectively with no financial impact from its adoption.

The Group has not adopted any new and revised IFRSs, which have been issued but are not yet effective.

3. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the chief executive of the Company ("CODM"). The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segment based on these reports.

The CODM considers that the Group has two operating and reporting segments which are fresh eggs and processed eggs. CODM assesses the performance of these single segments based on revenue, segment results and income/expenses arriving the segment results. Segment result represents the profit earned by each segment without allocation of finance costs, unallocated other income and unallocated corporate expenses are mainly including general administration expense.

Information relating to segment assets and segment liabilities is not disclosed as such information is not regularly reported to the CODM.

Segment information about these reportable and operating segments is presented below:

Six months ended 30 September 2018 (unaudited):

	Fresh eggs S$'000	Processed eggs S$'000	Total S$'000
Segment revenue	9,091	5,975	15,066
Other income	87	–	87
Gain arising from initial recognition of agricultural produce at fair values less estimated point-of-sales costs at point of harvest – unrealised	43	–	43
Gain arising from changes in fair value of biological asset less estimated point-of-sale costs	317	519	836
Purchases of inventories	(5,976)	(2,555)	(8,531)
Changes in inventories	(2)	(2)	(4)
Amortisation of land lease payment	(23)	(37)	(60)
Depreciation of property, plant and equipment	(569)	(421)	(990)
Employee benefits	(548)	(898)	(1,446)
Rental on operating leases	(9)	(15)	(24)
Utilities	(134)	(186)	(320)
Repairs and maintenance of motor vehicles and transportation	(167)	(112)	(279)
Royalty expense	–	(88)	(88)
Chicken shed – medication and vaccination	(55)	(90)	(145)
Other expenses	(394)	(340)	(734)
Segment results	1,661	1,750	3,411
Unallocated finance cost			(187)
Unallocated other income			136
Listing expenses			(1,605)
Unallocated corporate expenses			(1,842)
Loss before tax			(87)

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Six months ended 30 September 2017 (unaudited):

	Fresh eggs S$'000	Processed eggs S$'000	Total S$'000
Segment revenue	7,027	5,155	12,182
Other income	3	–	3
Gain arising from initial recognition of agricultural produce at fair value less estimated point-of-sales costs at point of harvest – unrealised	27	–	27
Loss arising from changes in fair value of biological asset less estimated point-of-sale costs	(215)	(165)	(380)
Purchases of inventories	(3,638)	(1,969)	(5,607)
Changes in inventories	(89)	(68)	(157)
Depreciation of property, plant and equipment	(858)	(532)	(1,390)
Employee benefits	(645)	(491)	(1,136)
Rental on operating leases	(79)	(60)	(139)
Utilities	(152)	(116)	(268)
Repairs and maintenance of motor vehicles and transportation	(119)	(67)	(186)
Royalty expense	–	(54)	(54)
Chicken shed – medication and vaccination	(71)	(54)	(125)
Other expenses	(311)	(186)	(497)
Segment results	880	1,393	2,273
Unallocated finance cost			(99)
Unallocated other income			136
Listing expenses			(392)
Unallocated corporate expenses			(1,295)
Profit before tax			623

Geographical information

The Group's operations are principally in Singapore and hence no further disclosure is made on the geographical information.

Information about major customers

During the period, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue (six months ended 30 September 2017: Nil).

4. OTHER INCOME

	Six months ended 30 September	
	2018	2017
	S$'000	S$'000
	(unaudited)	(unaudited)
Government grants	**31**	24
Income from sale of animal feeds	**87**	3
Interest income	**5**	–
Others	**88**	45
	211	72

5. OTHER (LOSSES)/GAINS – NET

	Six months ended 30 September	
	2018	2017
	S$'000	S$'000
	(unaudited)	(unaudited)
Gain on investments in insurance contracts	**12**	–
(Loss)/gain on disposal of property, plant and equipment	**(11)**	48
Net currency exchange (losses)/gains	**(145)**	19
	(144)	67

6. FINANCE COSTS

	Six months ended 30 September	
	2018	2017
	S$'000	S$'000
	(unaudited)	(unaudited)
Interest expense		
– Bank borrowings	**130**	5
– Finance lease liabilities	**48**	75
– Others	**9**	19
	187	99

7. EXPENSES BY NATURE

	Six months ended 30 September	
	2018	2017
	S$'000	S$'000
	(unaudited)	(unaudited)
Purchases of inventories	**8,531**	5,607
Changes in inventories	**4**	157
Depreciation of property, plant and equipment	**1,148**	1,506
Amortisation of intangible assets	**6**	5
Amortisation of land lease payment	**60**	–
Employee benefits	**2,628**	2,138
Rental on operating leases	**44**	149
Utilities	**320**	268
Repairs and maintenance of motor vehicles and transportation	**279**	186
Chicken shed – medication and vaccination	**145**	125
Royalty expense	**88**	54
Fair value adjustments arising from initial recognition of agricultural produce at fair value less estimated point-of-sales cost at point of harvest – charged to cost of sales	**1,118**	1,470
Listing expenses	**1,605**	392
Other expenses	**1,028**	640
	17,004	12,697

8. INCOME TAX EXPENSE

The Company is incorporated in the Cayman Islands as an exempted company with limited liabilities under the Company Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

Tax arising from Singapore has been provided at the rate of 17% on the estimated assessable profits for the six months ended 30 September 2018 and 2017. No provision for Hong Kong Profits Tax is provided in the condensed consolidated financial statements as the Group did not have assessable profit in Hong Kong for the six month periods ended 30 September 2018 and 2017.

	Six months ended 30 September	
	2018	2017
	S$'000	S$'000
	(unaudited)	(unaudited)
Singapore current tax	**181**	35
Deferred income tax (credit)/expense	**(33)**	262
Tax expense for the period	**148**	297

9. (LOSS)/EARNINGS PER SHARE

	Six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
(Loss)/profit attributable to equity holders of the Company (S$'000)	**(235)**	326
Weighted average number of ordinary shares in issue (thousands)	**391,393**	375,000
Basic and diluted earnings per share (S$ – in cents)	**(0.06)**	0.09

The weighted average number of ordinary shares for the purposes of calculating basic and diluted (loss)/earnings per share for the period has been determined based on the assumption that the Reorganisation, as more fully explained in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus, had been effective on 1 April 2017.

The diluted earnings per share is the same as the basic (loss)/earnings per share as the Group had no potentially dilutive ordinary shares in issue during the periods ended 30 September 2018 and 2017.

10. DIVIDENDS

Prior to the Reorganisation, interim dividend of S$100,000 per ordinary share totalling S$200,000 out of the retained earnings of TPEC for the nine months ended 30 June 2018 and final dividend of S$0.06 per ordinary share totalling S$600,000 out of the retained earnings of N&N for the year ended 31 March 2018 were approved on 13 July 2018 and were fully settled on 31 July 2018.

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2018 (six months ended 30 September 2017: Nil).

11. BIOLOGICAL ASSETS

	30 September 2018 S$'000 (unaudited)	30 September 2017 S$'000 (unaudited)
Movement in biological assets are as follows:		
At 1 April 2018/1 April 2017	**2,079**	3,243
Purchases of immature hens	**246**	167
Gain/(loss) arising from changes in fair value less estimated point-of-sale costs	**836**	(380)
Sales of mature hens	**(326)**	(350)
At 30 September 2018/30 September 2017	**2,835**	2,680

	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
Biological assets comprise: *(Note)*		
– Mature hens	**2,302**	1,555
– Immature hens	**533**	524
	2,835	2,079
Current	**538**	910
Non-current	**2,297**	1,169
	2,835	2,079

Note:

Biological assets are used in the production of eggs. Mature hens represent batches of hens that start to produce eggs.

11. BIOLOGICAL ASSETS *(Continued)*

The biological assets were valued at their fair values less point-of-sale costs using the discounted cash flow method. The management's major key assumptions used in the valuation are as follows:

	As at 30 September 2018	As at 31 March 2018
Selling price of mature hens	**S$2.50**	S$2.68
Selling price of agriculture produce (fresh eggs)	**S$0.16**	S$0.16
Mortality rate	**28%**	28%
Discount rate	**13%**	13%
Estimated egg laying period	**89 weeks**	89 weeks
No. of eggs per week by each hen *(Note)*	**2 to 7**	2 to 7

As at 30 September 2018, the number of hens held by the Group were 420,008 (31 March 2018: 440,009), out of which 84,342 (31 March 2018: 78,370) were immature hens. During the six months ended 30 September 2018, the Group harvested 47,738,964 (six months ended 30 September 2017: 59,873,052) eggs.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2018 and 2017, the Group acquired property, plant and equipment; net of grants of approximately S$996,000 (six months ended 30 September 2017: S$2,014,000) of which S$112,000 (six months ended 30 September 2017: S$1,545,000) were acquired on finance leases. The breakdown of the additions are as follows:

	Six months ended 30 September 2018 S$'000 (unaudited)	2017 S$'000 (unaudited)
Leasehold buildings and improvements	**27**	–
Plant and machinery	**625**	1,081
Equipment and furniture	**86**	69
Motor vehicles	**258**	864
	996	2,014

12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

During the six months ended 30 September 2018, the Group disposed certain property, plant and equipment with an aggregate net book value of approximately S$11,000 (six months ended 30 September 2017: S$87,000) for cash proceeds of nil (six months ended 30 September 2017: S$135,000) resulting in a loss on disposal of approximately S$11,000 (six months ended 30 September 2017: a gain on disposal of approximately S$48,000).

As at 30 September 2018, the Group's leasehold buildings and improvements with total carrying amounts of approximately S$330,000 (31 March 2018: S$526,000) has been pledged to banks for credit facilities granted to the Group. As at 30 September 2018, certain motor vehicles and plant and machinery with total carrying amounts of approximately S$1,377,000 and approximately S$2,352,000 respectively (31 March 2018: S$1,402,000 and S$2,519,000, respectively) held under finance lease.

13. LAND LEASE PAYMENT

The Group's land lease payment represents payment for land use rights of the current poultry farm and is amortised over lease term of 20 years. Amortisation of land lease payment amounting to approximately S$60,000 has been charged to profit or loss for the six months ended 30 September 2018.

14. TRADE AND OTHER RECEIVABLES

	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
Trade receivables		
– Non-related parties	**5,373**	4,296
– Related party *(Note 17b)*	**–**	127
	5,373	4,423
Less:		
Allowance for impairment of receivables		
– Non-related parties	**(75)**	(75)
	5,298	4,348
Other receivable	**109**	35
Deposits	**125**	73
Prepayments	**338**	523
	5,870	4,979

The credit period of trade receivables ranged up to 65 days. No interest was charged on the outstanding balances. The ageing analysis of trade receivables as at 30 September 2018 and 31 March 2018 based on invoice date is as follows:

14. TRADE AND OTHER RECEIVABLES *(Continued)*

	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
Less than 30 days	**3,074**	2,546
31 to 60 days	**1,661**	1,418
61 to 90 days	**333**	250
More than 90 days	**305**	209
	5,373	4,423

The carrying amounts of trade receivables approximate their fair values.

The above trade receivables are net of any allowance for expected credit losses. Expected credit loss is estimated by using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and information available to the Group at the reporting date about the current conditions and forecast of future economic conditions.

As at 30 September 2018 and 31 March 2018, the loss allowance provision for trade receivables was determined as follows:

	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
Expected loss rate:	**0%**	0%
Gross carrying amount	**5,373**	4,423
Loss allowance provision	**–**	–

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item in the combined statement of comprehensive income.

The carrying amounts of deposits and other receivables approximated their fair values due to their short maturity at the reporting date. For the six months periods ended 30 September 2018 and 2017, there was no provision for impairment on these receivables.

The maximum exposure to credit risk as of the reporting date was the carrying value of each type of receivables mentioned above. The Group did not hold any collateral as security as of each reporting date.

14. TRADE AND OTHER RECEIVABLES *(Continued)*

The Group's trade and other receivables are denominated in the following currencies:

	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
SGD	**5,820**	4,510
USD	**–**	49
HKD	**50**	420
	5,870	4,979

15. TRADE AND OTHER PAYABLES

	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
Current		
Trade payables	**2,822**	1,454
Other payables	**10**	543
Other accruals	**542**	1,311
Accrued royalty expense	**143**	58
	3,517	3,366
Non-current		
Accrued royalty expense	**237**	263
	3,754	3,629

The credit term granted by the Group's supplier were usually ranged up to 60 days.

The ageing analysis of trade payables based on invoice date was as follows:

	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
Less than 30 days	**1,635**	819
31 to 60 days	**903**	343
More than 60 days	**284**	292
	2,822	1,454

15. TRADE AND OTHER PAYABLES *(Continued)*

The Group's trade and other payables are denominated in the following currencies:

	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
SGD	**3,299**	2,302
USD	**380**	342
HKD	**75**	985
	3,754	3,629

16. SHARE CAPITAL

The share capital as at 31 March 2018 represented the combined issued share capital of the entities controlled by Mr. Ma (before acquired by the Group on 14 August 2018 under Reorganisation).

The share capital as at 30 September 2018 represented the issued share capital of the Company.

	Note	Number of shares	Amount HK$'000
Authorised:			
Ordinary shares			
At incorporation	*(a)*	3,800,000	380
Share subdivision	*(b)*	34,200,000	–
Increase upon reorganisation	*(d)*	9,962,000,000	99,620
At 30 September 2018		10,000,000,000	100,000

16. SHARE CAPITAL *(Continued)*

	Notes	Number of shares	Amount HK$'000	Amount S$'000
Issued and fully paid:				
At incorporation	*(a)*	1	–	–
Share subdivision	*(b)*	9	–	–
Issue of shares	*(c)*	9,990	–	–
Issue of shares upon Reorganisation	*(e)*	10,000	–	–
Capitalisation issue of shares	*(f)*	374,980,000	3,750	668
Issue of shares under share offer	*(g)*	125,000,000	1,250	222
At 30 September 2018		500,000,000	5,000	890

Notes:

(a) The Company was incorporated in the Cayman Islands on 12 February 2018 with an authorised share capital of HK$380,000 divided into 3,800,000 ordinary shares of HK$0.10 each. On the same day, 1 nil-paid share in the share capital of the Company was allotted and issued to an independent third party, which was subsequently transferred to Radiant Grand.

(b) On 6 March 2018, each of the issued and unissued ordinary shares of HK$0.10 in the share capital of the Company has been subdivided into 10 ordinary shares of HK$0.01 each.

(c) On 6 March 2018, the Company issued and allotted 7,851 ordinary shares and 2,139 ordinary shares to Radiant Grand and Elite Ocean Ventures Limited ("Elite Ocean"), respectively.

(d) Pursuant to the written resolutions of the Company's shareholders passed on 15 August 2018, the authorised share capital of the Company was increased from HKD380,000 divided into 38,000,000 ordinary shares of HK$0.01 each to HK$100,000,000 divided into 10,000,000,000 ordinary shares of HK$0.01 each by the creation of additional 9,962,000,000 ordinary shares.

(e) On 14 August 2018, as part of the Reorganisation, the Company acquired all the issued shares of Alliance Glory Ventures Limited. The consideration was satisfied by the allotment and issuance of 10,000 ordinary shares in the Company, credited as fully paid, to Radiant Grand and Elite Ocean as to 7,861 ordinary shares and 2,139 ordinary shares, respectively.

(f) Pursuant to the written resolutions of the Company's shareholders passed on 15 August 2018, 374,980,000 ordinary shares of HK$0.01 each were issued by way of capitalisation of HK$3,749,800 (equivalent to approximately S$668,000) from the Company's share premium account.

(g) On the Listing Date, 125,000,000 new ordinary shares of HK$0.01 each were issued at a price of HK$0.50 per share for a gross proceeds of HK$62,500,000 (equivalent to S$11,126,000.)

17. RELATED PARTY TRANSACTIONS

During the six months ended 30 September 2018 and 2017, transactions with the following party are considered to be related party transactions:

Name	Relationship with the Group
Hup Heng Poultry Industries Pte Ltd ("Hup Heng")	Non-controlling interest held by Mr. Ma

Note:

Mr. Ma has resigned as managing director of Hup Heng on 6 September 2018.

(a) Transactions with related company

	Six months ended 30 September	
	2018 S$'000 (unaudited)	2017 S$'000 (unaudited)
Hup Heng		
Sale of hens	**117**	285
Sale of fresh eggs	**59**	97
Sale of processed eggs	**200**	–
	376	382

In the opinion of the directors, the above transactions were carried out in the normal course of the Group's business and conducted at terms mutually agreed by the respective parties.

(b) Balance with related company

	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
Current assets		
Trade receivable – Hup Heng *(Note)*	**–**	127

Note:

The amount due from Hup Heng is unsecured, interest-free and with 30 days credit period. The outstanding balance of approximately S$175,000 as at 30 September 2018 was included in trade receivables – non-related parties due to the resignation of Mr. Ma as Managing director of Hup Heng on 6 September 2018.

17. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Key management personnel compensation

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the directors of the Company.

The compensation paid or payable to key management personnel for employee services are set out below:

	Six months ended 30 September	
	2018 S$'000 (unaudited)	2017 S$'000 (unaudited)
Short-term employee benefits	**132**	113
Contribution to defined contribution plans	**16**	14
	148	127

(d) Personal guarantees by director

As at 31 March 2018, Mr. Ma has extended personal guarantees to licensed banks in respect of banking facilities extended to the Group. At 30 September 2018, Mr. Ma is in the process of seeking a release of these personal guarantees from these same banks who have agreed to release Mr. Ma's personal guarantees upon listing.

18. COMMITMENTS

(a) Operating Lease commitments

The future minimum lease payable under non-cancellable operating leases contracted for at the end of each period but not recognised as liabilities, is as follows:

	As at 30 September 2018 S$'000 (unaudited)	As at 31 March 2018 S$'000 (audited)
No later than one year	**25**	48
Between one and five years	**101**	101
More than five years	**73**	86
	199	235

(b) Capital commitments

As at 30 September 2018, there is capital commitment of the Group which had been contracted for but not provided in the unaudited condensed consolidated financial statements amounted to approximately S$472,000 (31 March 2018: Nil).

BUSINESS REVIEW

The Group is principally engaged in the production and sale of egg products, primarily in Singapore. The Group's egg products include fresh chicken eggs and processed egg products. The Group operates its own egg laying farm in Singapore and also source fresh chicken eggs from independent third-party suppliers. The Group sells its own fresh chicken eggs under the name of "安安 N&N" and pasteurised shell eggs under the brand of "Egg Story – Pasteurised to kill Salmonella and Bird Flu Virus".

The Group is currently one of the only three-layer farms licensed by the Agri-Food & Veterinary Authority of Singapore ("AVA") to produce fresh chicken eggs in Singapore.

For the six months ended 30 September 2018, the Group recorded a net loss of approximately S$0.2 million as compared to net profit of approximately S$0.3 million for the six months ended 30 September 2017 mainly due to significant listing expenses incurred in respect of the Listing. Excluding the listing expenses of approximately S$1.6 million and S$0.4 million, the Group would have recorded a net profit of approximately S$1.4 million and S$0.7 million for the six months ended 30 September 2018 and 2017, respectively. Such significant increase in net profit was primarily due to a gain of approximately S$836,000 arising from changes in fair value of biological assets less estimated point-of-sale costs during the six months ended 30 September 2018 compared to that with a loss of approximately S$380,000 incurred during the six months ended 30 September 2017.

OUTLOOK

The business model of the Group has remained unchanged and the revenue and cost structure has remained stable during the six months ended 30 September 2018. As at the date of this report, there has been no material adverse change in the general economic and market conditions in Singapore which has affected or will affect, materially and adversely, the Group's business operations or financial condition.

The Group will implement various strategies as stated in the Prospectus with the intention to strengthen its market position as well as to increase its market share. The Group will closely monitor the market situations and make necessary adjustments to its strategies and operations.

FINANCIAL REVIEW

Revenue

The Group's total revenue increased by approximately S$2.9 million, or approximately 24% from approximately S$12.2 million for the six months ended 30 September 2017 to approximately S$15.1 million for the six months ended 30 September 2018.

(i) Fresh eggs

For the six months ended 30 September 2018 and 2017, approximately 60% and approximately 58% of the revenue was derived from the sales of fresh eggs. Revenue increased by approximately S$2.1 million from approximately S$7.0 million for the six months ended 30 September 2017 to approximately S$9.1 million for the six months ended 30 September 2018, primarily driven by the increase in the sales of the Group's sourced eggs as a result of commencement of the Guan Sing Egg's operation.

FINANCIAL REVIEW *(Continued)*

Revenue *(Continued)*

(ii) Processed eggs

For the six months ended 30 September 2018 and 2017, approximately 40% and approximately 42% of the revenue was derived from the sales of processed eggs. Revenue increased by approximately S$0.8 million from approximately S$5.2 million for the six months ended 30 September 2017 to approximately S$6.0 million for the six months ended 30 September 2018. Such increase was primarily due to the increase in sales of the pasteurised liquid eggs of approximately S$0.3 million and pasteurised hard boiled and peeled eggs of approximately S$0.3 million, respectively.

Cost of Sales

The Group's total cost of sales increased by approximately S$2.6 million, or approximately 24% from approximately S$10.7 million for the six months ended 30 September 2017 to approximately S$13.2 million for the six months ended 30 September 2018 primarily due to the increase in sourced eggs as a result of commencement of the Guan Sing Egg's operation.

Gross Profit and Gross Profit Margin

The gross profit before agriculture produce fair value adjustments remained stable at approximately S$3.0 million for the six months ended 30 September 2018 and 2017. The gross profit after agricultural produce fair value adjustments increased by approximately S$0.4 million or approximately 23%, from approximately S$1.5 million for the six months ended 30 September 2017 to approximately S$1.9 million for the six months ended 30 September 2018. Separately, gross profit margin before agricultural produce fair value adjustments decreased to approximately 20% for the six months ended 30 September 2018 from approximately 25% for the six months ended 30 September 2017. The gross profit margin after agricultural produce fair value adjustments remained relatively stable at approximately 12% for the six months ended 30 September 2018 and 2017.

Other (losses)/gains – net

The other (losses)/gains changed by approximately S$211,000, from net gains of approximately S$67,000 for the six months ended 30 September 2017 to net losses of approximately S$144,000 for the six months ended 30 September 2018 primarily due to net currency exchange losses incurred during the six months ended 30 September 2018.

Gain arising from initial recognition of agricultural produce at fair value less estimated point-of-sales costs at point of harvest

The gain arising from initial recognition of agricultural produce at fair value less estimated point-of-sales cost at point of harvest decreased by approximately S$0.3 million, or approximately 23% from approximately S$1.5 million for the six months ended 30 September 2017 to approximately S$1.1 million for the six months ended 30 September 2018 primarily due to the decrease in total number of fresh eggs produced during the six months ended 30 September 2018.

Gain/(loss) arising from changes in fair value of biological assets less estimated point-of-sale costs

The gain/(loss) arising from changes in fair value of biological assets less estimated point-of-sale costs changed by approximately S$1.2 million from loss of approximately S$0.4 million for the six months ended 30 September 2017 to gain of approximately S$0.8 million for the six months ended 30 September 2018 primarily due to a higher number of growers as at 30 September 2018 as compared to that as at 30 September 2017.

FINANCIAL REVIEW *(Continued)*

Selling and distribution expenses

Selling and distribution expenses increased by approximately S$0.2 million or approximately 17% from approximately S$1.1 million for the six months ended 30 September 2017 to approximately S$1.3 million for the six months ended 30 September 2018 primarily due to the increase in employee benefits and repair and maintenance of motor vehicles during the six months ended 30 September 2018.

Other administrative expenses

Other administrative expenses increased from approximately S$0.6 million for the six months ended 30 September 2017 to approximately S$0.9 million for six months ended 30 September 2018. The increase was primarily due to the general increase in salaries and related cost and utilities during the six months ended 30 September 2018.

LIQUIDITY AND FINANCIAL RESOURCES

For the six months ended 30 September 2018, the Group financed its operations by cash flow from internally generated funds, net proceeds received from the placing of 125,000,000 shares with nominal value of HK$0.01 each at the price of HK$0.50 per share on GEM of the Stock Exchange, finance leases and bank borrowings.

The current ratio, being the ratio of current assets to current liabilities, was approximately 2.1 times as at 30 September 2018 (31 March 2018: 1.0 time). The increase in the current ratio was mainly due to the increase in cash and cash equivalents as at 30 September 2018 as a result of the receipt of proceeds under the share offer on Listing Date. The gearing ratio, being the ratio of total borrowings to total equity, was approximately 50.7% as at 30 September 2018 (31 March 2018: 78.2%). The decrease in the gearing ratio was mainly due to the recognition of share premium arising from issue of shares under share offer on Listing Date.

As at 30 September 2018 and 31 March 2018, the Group had cash and cash equivalents of approximately S$8.4 million and S$0.8 million, respectively, which were denominated mainly in Singapore Dollar, United States Dollar and Hong Kong Dollar.

As at 30 September 2018, total borrowings amounted to approximately S$10.0 million (31 March 2018: S$9.1 million). There was no material seasonality in relation to the borrowing requirements of the Group. Below is a breakdown of the total borrowings:

	30 September 2018 S$'000 (unaudited)	31 March 2018 S$'000 (audited)
Non-current		
Finance lease liabilities	**1,775**	2,175
Bank borrowings	**3,297**	1,829
	5,072	4,004
Current		
Finance lease liabilities	**1,005**	992
Bank borrowings	**3,980**	4,122
	4,985	5,114
Total borrowings	**10,057**	9,118
Maturity of Bank Borrowings		
Within 1 years	**3,624**	3,786
Between 1 and 2 years	**837**	479
Between 2 and 5 years	**1,909**	773
Over 5 years	**907**	913
	7,277	5,951

LIQUIDITY AND FINANCIAL RESOURCES *(Continued)*

As at 30 September 2018, the group had undrawn borrowing facilities of approximately S$3.9 million which included unutilised loan facilities, trade facilities and non-revolving have purchase facilities.

PLEDGE OF ASSETS

The total borrowings amounting to approximately S$10,057,000 as at 30 September 2018 (31 March 2018: S$9,118,000) are secured by:

(i) Legal mortgage over the Group's leasehold building and improvements with a carrying amounts of approximately S$330,000 (31 March 2018: S$526,000);

(ii) Assignment over the investments in insurance contracts;

(iii) Pledged deposit amounting to approximately S$254,000 (31 March 2018: S$254,000).

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group since the Listing. The share capital of the Company only comprises ordinary shares.

DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2018.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

Apart from the Reorganisation, the Group did not have any material acquisitions or disposal of subsidiaries during the six months ended 30 September 2018.

SIGNIFICANT INVESTMENTS

As at 30 September 2018, the Group did not hold any significant investments other than disclosed.

FUTURE PLAN FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in this report and the Prospectus, the Group did not have any plans for material investment or acquisition of capital assets as at the date of this report. The Company will make further announcement in accordance with the GEM Listing Rules, where applicable, if any investments and acquisition opportunities materialise.

CONTINGENT LIABILITIES

As at 30 September 2018, the Group did not have any significant contingent liabilities.

CAPITAL COMMITMENTS

As at 30 September 2018, the Group did not have material capital commitments other than disclosed in Note 18 (b) of Notes to the Condensed Consolidated Financial Statements of this report.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2018, the group had a total of 183 employees (31 March 2018: 167). Staff cost, including Directors' remuneration, of the Group were approximately S$2.6 million for the six months ended 30 September 2018 (six months ended 30 September 2017: S$2.1 million).

EMPLOYEES AND REMUNERATION POLICY *(Continued)*

The remuneration package offered by the Group to our employees includes salary, bonus and staff benefits. In general, the Group determines the level of employee salaries based on each employee's qualification, experience, position, seniority and the prevailing market remuneration rate. The Group has a review system to evaluate the performance of our employees annually to ascertain any adjustments or promotions to retain talents within the Group.

FOREIGN CURRENCY RISK

Currency risk arises when transactions are denominated in a currency that is not the entity's functional currency. The Group's business is mainly exposed to the United States dollar ("USD") and Hong Kong dollar ("HKD"). The Group monitors exchange rate movements to ensure this risk is kept within an acceptable level. This exposure is not hedged by any financial instruments.

The Group's currency exposure to USD is as follows:

	30 September 2018 S$'000 (unaudited)	31 March 2018 S$'000 (audited)
Cash and bank deposits	**22**	62
Trade and other receivables	**–**	43
Bank borrowings	**(2,098)**	(2,090)
Trade and other payables	**(380)**	(342)
	(2,456)	(2,327)

As at 30 September 2018, if USD had strengthened/weakened by 3% (31 March 2018: 6%) against SGD with all other variables including tax rate being held constant, the Group's profit or loss for the six months period ended would have been approximately S$61,000 (31 March 2018: S$125,000) lower/higher, as a result of currency translation losses/gains on the USD-denominated financial instruments.

The Group's currency exposure to HKD is as follows:

	30 September 2018 S$'000 (unaudited)	31 March 2018 S$'000 (audited)
Cash and bank deposits	**7,078**	144
Trade and other receivables	**50**	–
Trade and other payables	**(75)**	(985)
	7,053	(841)

As at 30 September 2018, if HKD had strengthened/weakened by 4% (31 March 2018: 7%) against SGD with all other variables including tax rate being held constant, the Group's profit or loss for the six months period ended would have been approximately S$234,000 (31 March 2018: S$50,000 lower/higher) higher/lower, as a result of currency translation gains/losses on the HKD-denominated financial instruments.

USE OF PROCEEDS AND COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The actual net proceeds from the Listing (after deducting underwriting fees and related expenses) amounted to approximately HK$34.4 million, which is intended to be applied in the manner consistent with that stated in the Prospectus. The deployment of the actual use of proceeds are set out as follows:

	Net proceeds to be applied HK$' million	Approximate percentage of the proceeds %
Expanding egg laying production capacity in our existing production base	31.0	90.0
Working capital and other general corporate purposes	3.4	10.0
	34.4	100.0

As at 30 September 2018, the HK$3.4 million from the net proceeds has been fully deployed as working capital and the HK$31.0 million has been deposited in a licensed bank in Singapore, pending disbursements relating to the expansion of the Group's egg laying production capacity in our existing production base.

As disclosed in the Prospectus, the Group's business objectives are to expanding egg laying production capacity. As at 30 September, 2018, the Group is finalising the securing of the necessary permits and obtaining formal approvals from various relevant governmental agencies in Singapore before commencing its construction activities on its existing egg laying farm. The Group has appointed a professional firm to prepare site plans and drawings during the six months ended 30 September 2018.

PRINCIPAL RISK AND UNCERTAINTIES

The Group's financial condition, results of operations, business and prospect would be affected by a number of risks and uncertainties. All the risks relating to the Group's business have been set out in the section headed "Risk factors" in the prospectus.

SUBSEQUENT EVENTS

Up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that had come into the attention of the Directors since the end of the interim period for the six months ended 30 September 2018.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interest of its shareholders and to enhance corporate value. The Company's corporate governance practices are based on the principles of good corporate governance as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix 15 to the GEM Listing Rules. Save for the deviation from code provision A.2.1 of the CG Code as mentioned below, the Board is satisfied that the Company had complied with the code provisions in the CG Code from the Listing Date to the date of this report.

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Ma currently holds both positions. As Mr. Ma has been leading the Group as the Group's chief executive officer and actively involving in the core business of the Group since 2006, the Board believes that it is in the best interest of the Group to continue to have Mr. Ma acting as the chairman of the Board and chief executive officer of the Company for effective management and business planning of the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired as all major decisions are made in consultation with the Board members and the senior management of the Company. Therefore, the Board considers that the deviation from code provision A.2 of the CG code is appropriate in such circumstances.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES

Save as disclosed elsewhere in this report and the Prospectus, based on the information available to the Company and within the knowledge and belief of the Directors, none of the Directors, controlling shareholders or substantial shareholders of the Company or any of their respective associates, as defined in the GEM Listing Rules, has engaged in any business that competes or may compete either directly or indirectly, with the business of the Group or has any other conflict of interest with the Group during the six months ended 30 September 2018.

INTERESTS OF COMPLIANCE ADVISER

As at 30 September 2018, as notified by the Company's compliance adviser, Central China International Capital Limited ("CCIC"), except for the compliance advisor agreement dated 15 February 2018 entered into between the Company and CCIC, neither CCIC nor any of its directors, employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

DEED OF NON-COMPETITION

As disclosed in the section headed ("Relationship with Controlling Shareholders — Non-Competition undertakings") in the Prospectus, the controlling shareholders of the Company have entered into a deed of non-competition dated 15 August 2018, which contains certain non-compete undertakings (the "Non-Compete Undertakings") in favour of the Company (for itself and as trustee for each member of the Group).

DEED OF NON-COMPETITION *(Continued)*

Pursuant to these Non-Compete Undertakings, the controlling shareholders of the Company have unconditionally and irrevocably undertaken to the Company (for itself/himself and for the benefits of members of our Group) that it/he would not, and would procure that its/his close associates (other than any members of our Group) would not, directly or indirectly, either on its/his own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee, or otherwise, and whether for profit, reward or otherwise) any activity or business which is or may be in competition, directly or indirectly, with the business carried on or contemplated to be carried on by any member of our Group from time to time.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the six months ended 30 September 2018.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "Scheme") on 15 August 2018, the principal terms of which are set out in the Appendix V to the Prospectus. The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share options have been granted or agreed to be granted under the Scheme.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND/OR ITS ASSOCIATED CORPORATION

As at 30 September 2018, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the "SFO")) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests of short positions which any such Director or chief executive is taken or deemed to have under such provision of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.45 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in shares of the Company

Name of the Directors	Capacity/Nature of Interest	Number of Shares Held [1]	Approximate Percentage
Mr. Ma Chin Chew [2]	Interest of controlled corporation	294,800,000 (L)	58.96%
Ms. Lim Siok Eng [2]	Interest of spouse	294,800,000 (L)	58.96%

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND/OR ITS ASSOCIATED CORPORATION *(Continued)*

Long positions in shares of the Company *(Continued)*

Notes:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the shares of the Company.

(2) Radiant Grand International Limited is held as to 100% by Mr. Ma. Therefore, Mr. Ma is deemed to be interested in the shares of the Company which Radiant Grand International Limited is interested in by virtue of the SFO. Ms. Lim Siok Eng is the spouse of Mr. Ma. Under the SFO, Ms. Lim Siok Eng is deemed to be interested in the shares of the Company held by Mr. Ma through Radiant Grand International Limited.

Save as disclosed above, as at the date of this report, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2018, so far as is known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in shares of the Company

Name	Capacity/Nature of Interest	Number of Shares Held [1]	Approximate Percentage
Radiant Grand International Limited [2]	Beneficial owner	294,800,000 (L)	58.96%
Elite Ocean Ventures Limited [3]	Beneficial owner	80,200,000 (L)	16.04%
Mr. Lim Joo Boon [3]	Interest of controlled corporation	80,200,000 (L)	16.04%
Ms. Tan Bee Hong [4]	Interest of spouse	80,200,000 (L)	16.04%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY *(Continued)*

Long positions in shares of the Company *(Continued)*

Notes:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the shares of the Company.

(2) Radiant Grand International Limited is held as to 100% by Mr. Ma. Therefore, Mr. Ma is deemed to be interested in the shares of the Company which Radiant Grand International Limited is interested in by virtue of the SFO.

(3) Elite Ocean Ventures Limited is held as to 100% by Mr. Lim Joo Boon. Therefore, Mr. Lim is deemed to be interested in the shares of the Company which Elite Ocean Ventures Limited is interested in by virtue of the SFO.

(4) Ms. Tan Bee Hong is the spouse of Mr. Lim Joo Boon. Under the SFO, Ms. Tan Bee Hong is deemed to be interested in the shares of the Company held by Mr. Lim Joo Boon through Elite Ocean Ventures Limited.

Save as disclosed above, as at the date of this report, the Company has not been notified of any other interests or short positions in the shares or underlying shares of the Company which were acquired to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register to be kept by the Company under section 336 of the SFO.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company. Based on specific enquiry made with all the Directors, all of them have confirmed that they have fully complied with the required standard of dealings and there is no incident of non-compliance noted by the Company throughout the period from the Listing Date to the date of this report.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing rules and code provision C.3.3 of the CG Code. The Audit Committee currently comprises of three independent non-executive Directors, namely Mr. Teo Beng Fwee, Mr. Yuen Ka Lok Ernest and Mr. Sneddon Donald William. Mr. Teo Beng Fwee is the chairman of the Audit Committee. The primary duties of the Audit Committee are to assist the Board in providing an oversight of the financial reporting and disclosure processes, internal control and risk management systems of the Company, and to oversee the audit process.

The Audit Committee has discussed and reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2018, and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board
Eggriculture Foods Ltd.
Mr. Ma Chin Chew
Chairman and Chief Executive Officer

Singapore, 7 November 2018

As at the date of this report, the executive Directors are Mr. Ma Chin Chew, Ms. Lim Siok Eng and Mr. Tang Hong Lai; the non-executive Director is Mr. Teo Beng Fwee, Mr. Yuen Ka Lok Ernest and Mr. Sneddon Donald William.