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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 2020

The board (the “**Board**”) of directors (“**Directors**”) of Eggriculture Foods Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company together with its subsidiaries for the six months ended 30 September 2020. This announcement, containing the full text of the 2020 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange in relation to information to accompany preliminary announcements of interim results.

By order of the Board
Eggriculture Foods Ltd.
Ma Chin Chew

Chairman, Executive Director and Chief Executive Officer

Singapore, 5 November 2020

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 www.eggriculturefoods.com.

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 2020 together with the relevant comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2020

		Six months ended 30 September					
		2020			2019		
		Results before biological assets and agricultural produce fair value adjustments	Biological assets and agricultural produce fair value adjustments	Total	Results before biological assets and agricultural produce fair value adjustments	Biological assets and agricultural produce fair value adjustments	Total
	Note	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)
Revenue	3	23,578	-	23,578	22,812	-	22,812
Cost of sales	7	(18,014)	(4,588)	(22,602)	(16,656)	(2,704)	(19,360)
Gross profit		5,564	(4,588)	976	6,156	(2,704)	3,452
Other income	4	1,191	-	1,191	295	-	295
Other (losses)/gains – net	5	(104)	-	(104)	312	-	312
Gain arising from initial recognition of agricultural produce at fair value less estimated point-of-sales costs at point of harvest		-	4,603	4,603	-	2,778	2,778
Loss arising from changes in fair value of biological assets less estimated point-of-sale costs		-	(778)	(778)	-	(590)	(590)
Selling and distribution expenses	7	(1,559)	-	(1,559)	(1,858)	-	(1,858)



Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 September 2020

		Six months ended 30 September						
		2020			2019			
		Results before biological assets and agricultural produce fair value adjustments	Biological assets and agricultural produce fair value adjustments	Total	Results before biological assets and agricultural produce fair value adjustments	Biological assets and agricultural produce fair value adjustments	Total	
Note		S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	
	Administrative expenses	7	(2,025)	-	(2,025)	(1,649)	-	(1,649)
	Finance costs	6	(164)	-	(164)	(222)	-	(222)
	Profit before tax		2,903	(763)	2,140	3,034	(516)	2,518
	Income tax expense	8	(244)	-	(244)	(336)	-	(336)
	Profit after tax and total comprehensive income for the period attributable to equity holders of the company		2,659	(763)	1,896	2,698	(516)	2,182
	Earnings per share							
	Basic and diluted (S\$ – in cents)	9			0.38			0.49



Condensed Consolidated Statement of Financial Position

As at 30 September 2020

	<i>Note</i>	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
ASSETS			
Non-current assets			
Biological assets	11	1,745	1,734
Property, plant and equipment	12	14,855	10,967
Right-of-use assets	13	6,495	6,676
Intangible assets		569	627
Investments in insurance contracts		2,227	2,295
		25,891	22,299
Current assets			
Biological assets	11	1,536	2,536
Inventories		2,111	1,641
Trade and other receivables	14	7,965	8,053
Cash and cash equivalents		13,748	9,011
		25,360	21,241
Total assets		51,251	43,540
LIABILITIES			
Non-current liabilities			
Other payables	15	184	157
Lease liabilities	13	1,017	1,190
Bank borrowings		7,873	4,747
Deferred income tax liabilities		930	870
		10,004	6,964

Condensed Consolidated Statement of Financial Position
As at 30 September 2020

	<i>Note</i>	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
Current liabilities			
Trade and other payables	15	8,079	4,146
Current income tax liabilities		817	864
Lease liabilities	13	994	1,207
Bank borrowings		2,680	3,578
		12,570	9,795
Total liabilities		22,574	16,759
NET ASSETS		28,677	26,781
EQUITY			
Share capital	16	890	890
Reserves		27,787	25,891
Total equity		28,677	26,781



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2020

	Share capital	Share premium	Other reserve (Note)	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2019 (audited)	890	8,544	9,767	2,422	21,623
Profit and total comprehensive income for the period	-	-	-	2,182	2,182
At 30 September 2019 (unaudited)	890	8,544	9,767	4,604	23,805
At 1 April 2020 (audited)	890	8,544	9,767	7,580	26,781
Profit and total comprehensive income for the period	-	-	-	1,896	1,896
At 30 September 2020 (unaudited)	890	8,544	9,767	9,476	28,677

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 2020

	Six months ended 30 September	
	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
Net cash generated from operating activities	7,846	3,136
Net cash used in investing activities	(4,550)	(4,152)
Net cash generated from/(used in) financing activities	1,441	(1,120)
Net increase/(decrease) in cash and cash equivalents	4,737	(2,136)
Cash and cash equivalents at beginning of the period	9,011	9,911
Cash and cash equivalents at end of the period	13,748	7,775



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2020

1. GENERAL INFORMATION

Eggriculture Foods Ltd. (the “Company”) was incorporated in the Cayman Islands on 12 February 2018 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman 1-1111, Cayman Islands and principal place of business in Hong Kong is Unit 1308, 13/F, Mirror Tower, 61 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

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 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 ultimate controlling party of the Group is Mr. Ma Chin Chew (“Mr. Ma”).

2. BASIS OF PRESENTATION AND PREPARATION

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.

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 2020 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.

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

The basis of preparation and accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2020, 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 2020.

The Group has applied the following new and amendments to IFRSs for the first time in the current accounting period:

Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 7, IFRS 9 and IAS 39	Interest rate benchmark reform
Conceptual framework for 2018 Reporting	Amendments to the Conceptual Framework

The adoption of the above standards did not have any significant effects on the unaudited condensed consolidated financial statements of the Group.

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:



3. REVENUE AND SEGMENT INFORMATION *(Continued)*
Six months ended 30 September 2020 (unaudited):

	Fresh eggs S\$'000	Processed eggs S\$'000	Total S\$'000
Segment revenue	16,646	6,932	23,578
Other income	103	-	103
Gain arising from initial recognition of agricultural produce at fair values less estimated point-of-sales costs at point of harvest – unrealised	72	-	72
Loss arising from changes in fair value of biological asset less estimated point-of-sale costs	(513)	(265)	(778)
Purchases of inventories	(11,733)	(2,489)	(14,222)
Changes in inventories	168	230	398
Impairment loss for trade receivables, net	(106)	(23)	(129)
Depreciation of property, plant and equipment	(635)	(175)	(810)
Depreciation of right-of-use assets	(426)	(93)	(519)
Employee benefits	(1,302)	(671)	(1,973)
Utilities	(286)	(133)	(419)
Repairs and maintenance of motor vehicles and transportation	(242)	(53)	(295)
Royalty expense	-	(21)	(21)
Chicken shed – medication and vaccination	(81)	(42)	(123)
Other expenses	(677)	(290)	(967)
Segment results	988	2,907	3,895
Unallocated finance cost			(164)
Unallocated other income			1,110
Unallocated corporate expenses			(2,701)
Profit before tax			2,140

3. REVENUE AND SEGMENT INFORMATION *(Continued)* Six months ended 30 September 2019 (unaudited):

	Fresh eggs S\$'000	Processed eggs S\$'000	Total S\$'000
Segment revenue	14,512	8,300	22,812
Other income	131	–	131
Gain arising from initial recognition of agricultural produce at fair values less estimated point-of-sales costs at point of harvest – unrealised	75	–	75
Loss arising from changes in fair value of biological asset less estimated point-of-sale costs	(260)	(330)	(590)
Purchases of inventories	(9,692)	(3,331)	(13,023)
Changes in inventories	(222)	106	(116)
Impairment loss for trade receivables, net	(72)	(29)	(101)
Depreciation of property, plant and equipment	(429)	(283)	(712)
Depreciation of right-of-use assets	(382)	(156)	(538)
Employee benefits	(681)	(866)	(1,547)
Rental on operating leases	(12)	(5)	(17)
Utilities	(150)	(191)	(341)
Repairs and maintenance of motor vehicles and transportation	(228)	(93)	(321)
Royalty expense	–	(23)	(23)
Chicken shed – medication and vaccination	(65)	(83)	(148)
Other expenses	(442)	(357)	(799)
Segment results	2,083	2,659	4,742
Unallocated finance cost			(222)
Unallocated other income			191
Unallocated corporate expenses			(2,193)
Profit before tax			2,518

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 2019: Nil).



4. OTHER INCOME

	Six months ended 30 September	
	2020	2019
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Government grants	979	34
Income from sale of animal feeds	103	131
Interest income	21	48
Others	88	82
	1,191	295

5. OTHER (LOSSES)/GAINS – NET

	Six months ended 30 September	
	2020	2019
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Gain on investments in insurance contracts	22	27
Gain on disposal of property, plant and equipment	22	3
Net currency exchange (losses)/gains	(148)	282
	(104)	312

6. FINANCE COSTS

	Six months ended 30 September	
	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
Interest expense		
– Bank borrowings	144	158
– Lease liabilities	41	56
– Others	6	8
	191	222
Less: Amount capitalised in property, plant and equipment	(27)	–
Amount recognised in profit or loss	164	222

7. EXPENSES BY NATURE

	Six months ended 30 September	
	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
Audit fee	130	120
Purchases of inventories	14,222	13,023
Changes in inventories	(398)	116
Depreciation of property, plant and equipment	946	823
Amortisation of intangible assets	58	21
Depreciation of right-of-use assets	519	538
Impairment loss for trade receivables, net	129	101
Employee benefits	3,787	3,403
Utilities	419	395
Repairs and maintenance of motor vehicles and transportation	295	321
Chicken shed – medication and vaccination	123	148
Royalty expense	21	23
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	4,588	2,704
Other expenses	1,347	1,131
	26,186	22,867



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 during the reporting periods. 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 during the reporting periods.

	Six months ended	
	30 September	
	2020	2019
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Singapore current tax	184	195
Deferred income tax expense	60	141
Tax expense for the period	244	336

9. EARNINGS PER SHARE

	Six months ended	
	30 September	
	2020	2019
	(unaudited)	(unaudited)
Profit attributable to equity holders of the Company (S\$'000)	1,896	2,182
Weighted average number of ordinary shares in issue (thousands)	500,000	445,548
Basic and diluted earnings per share (S\$ – in cents)	0.38	0.49

The diluted earnings per share is the same as the basic earnings per share as the Group had no potentially dilutive ordinary shares in issue during the periods ended 30 September 2020 and 2019.

10. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

11. BIOLOGICAL ASSETS

	30 September 2020 S\$'000 (unaudited)	30 September 2019 S\$'000 (unaudited)
Movement in biological assets are as follows:		
At 1 April 2020/1 April 2019	4,270	4,486
Purchases of immature hens	85	82
Loss arising from changes in fair value less estimated point-of-sale costs	(778)	(590)
Sales of mature hens	(296)	(296)
	3,281	3,682
At 30 September 2020/30 September 2019	3,281	3,682
	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
Biological assets comprise: <i>(Note)</i>		
– Mature hens	2,539	3,736
– Immature hens	742	534
	3,281	4,270
Current	1,536	2,536
Non-current	1,745	1,734
	3,281	4,270

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 2020 (unaudited)	As at 31 March 2020 (audited)
Selling price of mature hens	2.56	2.56
Selling price of agriculture produce (fresh eggs)	0.17	0.17
Mortality rate	20%	20%
Discount rate	11%	11%
Estimated egg laying period	89 weeks	89 weeks

As at 30 September 2020, the number of hens held by the Group were 473,229 (31 March 2020: 553,653), out of which 84,174 (31 March 2020: 84,565) were immature hens. During the six months ended 30 September 2020, the Group harvested 68,706,822 (six months ended 30 September 2019: 66,698,054) eggs.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2020 and 2019, the Group acquired property, plant and equipment, net of grants of approximately S\$5,115,000 (six months ended 30 September 2019: S\$4,064,000). The breakdown of the additions are as follows:

	Six months ended 30 September 2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
Leasehold buildings and improvements	198	90
Plant and machinery	620	582
Equipment and furniture	138	445
Motor vehicles	64	515
Assets under construction	4,095	2,432
	5,115	4,064

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

During the six months ended 30 September 2020, the Group disposed certain property, plant and equipment with an aggregate net book value of approximately S\$10,000 (six months ended 30 September 2019: S\$7,000) for cash proceeds of S\$2,500 (six months ended 30 September 2019: S\$10,000) resulting in a loss on disposal of approximately S\$7,500 (six months ended 30 September 2019: a gain on disposal of approximately S\$3,000).

13. LEASES

(i) Amounts recognised in the consolidated statement of financial position

	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
Right-of-use assets		
Leasehold land	3,046	3,132
Storage buildings	977	1,076
Plant and machinery	1,652	1,501
Equipment and furniture	–	17
Motor Vehicles	820	950
	6,495	6,676
Lease liabilities		
Current	994	1,207
Non-current	1,017	1,190
	2,011	2,397

Additions to the right-of use assets during the six months ended 30 September 2020 were S\$350,000 (Six months ended 30 September 2019: S\$82,000).



13. LEASES (Continued)

(ii) Amounts recognised in the consolidated statement of comprehensive income

	Six months ended 30 September	
	2020 S\$'000 (unaudited)	2019 S\$'000 (audited)
Depreciation charge of right-of-use assets		
Leasehold land	86	86
Storage buildings	98	73
Plant and machinery	121	100
Equipment and furniture	8	12
Motor vehicles	206	267
	519	538
Interest expense (included in finance cost)	41	56

(iii) The Group's leasing activities and how these are accounted for Leasehold land

The Group has made an upfront payment for land use rights of the current poultry farm and a quail egg farm. The land lease payments are amortised on a straight-line basis over lease term of 20 years.

There are no externally imposed covenant on these lease arrangements.

Storage buildings

The Group has made an upfront payment to secure the right-of-use of a 30 years leasehold land and building, which is used by the Group for inventory storage and back office operations. The Group also makes annual lease payments for this land and building. The Group also leases warehouse under operating lease to store inventories and for the purpose of back office operations.

Plant and machinery, equipment and furniture, and motor vehicles

The Group leases equipment and vehicles to enable it to produce processed egg products and to deliver them to its customers. The lease arrangements prohibit the Group from subleasing the equipment and vehicles to third parties.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

13. LEASES *(Continued)*

(iv) Variable lease payments

A storage building lease contains variable payment terms that vary on a yearly basis to reflect changes in market rental rates.

(v) Extension and termination option

The lease for certain storage building contains extension period, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise the extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The extension option is exercisable by the Group and not by the lessor.

(vi) Residual value guarantees

The Group do not provide residual value guarantees in relation to plant and machinery and equipment and furniture leases.

14. TRADE AND OTHER RECEIVABLES

	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
Trade receivables	7,435	7,437
Less:		
Allowance for impairment of receivables	(314)	(188)
	7,121	7,249
Other receivable	60	353
Deposits	94	91
Prepayments	690	360
	7,965	8,053

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 2020 and 31 March 2020 based on invoice date is as follows:



14. TRADE AND OTHER RECEIVABLES *(Continued)*

	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
Less than 30 days	3,735	3,608
31 to 60 days	2,389	2,250
61 to 90 days	365	1,033
More than 90 days	946	546
	7,435	7,437

The carrying amounts of trade receivables approximate their fair values.

The closing loss allowances for trade receivable reconcile to the opening loss allowance as follows:

	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
At beginning of period	188	133
Increase in loss allowance recognised in profit or loss during the period/year	129	172
Utilisation of loss allowance	(3)	(117)
At end of period	314	188

The Group recognises a loss allowance for expected credit loss on trade and other receivables. The amount of expected credit loss is updated at each reporting date to reflect the changes in credit risk since initial recognition in the respective financial instruments.

The expected credit loss on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

14. TRADE AND OTHER RECEIVABLES *(Continued)*

The Group's trade and other receivables (excluding prepayments) are denominated in the following currencies:

	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
SGD	7,132	7,529
USD	143	164
	7,275	7,693

15. TRADE AND OTHER PAYABLES

	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
Current		
Trade payables	2,229	2,767
Other payables	306	6
Other accruals	847	980
Deferred grant income	4,546	230
Accrued royalty expense	151	163
	8,079	4,146
Non-current		
Accrued royalty expense	184	157
	8,263	4,303

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



15. TRADE AND OTHER PAYABLES *(Continued)*

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

	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
Less than 30 days	1,686	1,999
31 to 60 days	326	456
More than 60 days	217	312
	2,229	2,767

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

	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
SGD	7,836	3,891
USD	385	368
HKD	42	38
MYR	–	6
	8,263	4,303

16. SHARE CAPITAL

	<i>Note</i>	Number of shares	Amount HK\$'000
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Authorised:

At 30 September 2020 and 31 March 2020		10,000,000,000	100,000
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	<i>Notes</i>	Number of shares	Amount HK\$'000	Amount S\$'000
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Issued and fully paid:

At 30 September 2020 and 31 March 2020		500,000,000	5,000	890
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17. COMMITMENTS

Capital Commitments

As at the reporting date, capital expenditure in respect of the expansion of the current farm and quail farming of the Group which had been contracted for but not provided in the financial statements is as follows:

	As at 30 September 2020 S\$'000 (unaudited)	As at 31 March 2020 S\$'000 (audited)
Property, plant and equipment	17,709	5,447



Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group's principal activities continue to be the production and sale of chicken egg products, including fresh chicken eggs and processed egg products in Singapore. The Group operates its own egg laying farm in Singapore and sources fresh chicken eggs from third party suppliers. There have been no changes to its business model.

The Group's revenue has increased by approximately 4% from approximately S\$22.8 million for the six months ended 30 September 2019 to approximately S\$23.6 million for the six months ended 30 September 2020. Additional revenue was mainly due to increase sales to supermarkets.

For the six months ended 30 September 2020, the Group's profit before tax decreased by approximately S\$0.4 million from approximately S\$2.5 million for the six months ended 30 September 2019 to approximately S\$2.1 million for the six months ended 30 September 2020.

With the planned expansion of the chicken eggs laying facilities at the current farm and expansion into quail eggs farming, the Group is expected to strengthen its market position as a leading eggs distributor in Singapore.

During the six months ended 30 September 2020, the Group has completed the acquisition of Khwan Hup Farming Pte Ltd ("KH"), a limited liability company which is principally engaged in the distribution of eggs in Singapore. The Group considers that the acquisition is in line with its strategic plan to enlarge the Group's presence in Singapore.

Despite the challenging economic environment heightened by the Coronavirus Disease 2019 ("COVID-19"), the Group has implemented business continuity plans to minimise disruption to our operations and ensure that our business remains viable during the virus outbreak.

FINANCIAL REVIEW

Revenue

(i) Fresh eggs

For the six months ended 30 September 2020 and 2019, approximately 71% and approximately 64% of the revenue was derived from the sales of fresh eggs. Revenue increased by approximately S\$2.1 million from approximately S\$14.5 million for the six months ended 30 September 2019 to approximately S\$16.6 million for the six months ended 30 September 2020, primarily driven by the increase in the revenue from supermarkets.

(ii) Processed eggs

For the six months ended 30 September 2020 and 2019, approximately 29% and approximately 36% of the revenue was derived from the sales of processed eggs. Revenue decreased by approximately S\$1.4 million from approximately S\$8.3 million for the six months ended 30 September 2019 to approximately S\$6.9 million for the six months ended 30 September 2020. Such decrease was primarily due to the decrease in sales to Food & Beverages customers due to lockdown period during the outbreak of COVID-19 in Singapore which commenced on 7 April 2020.

FINANCIAL REVIEW *(Continued)*

Cost of Sales

The Group's total cost of sales increased by approximately S\$3.2 million, or approximately 16% from approximately S\$19.4 million for the six months ended 30 September 2019 to approximately S\$22.6 million for the six months ended 30 September 2020 primarily due to the increase in sourced eggs as a result of increase in the customer base.

Gross Profit and Gross Profit Margin

The gross profit before agriculture produce fair value adjustments decreased by approximately S\$0.6 million or approximately 10%, from approximately S\$6.2 million for the six months ended 30 September 2019 to approximately S\$5.6 million for the six months ended 30 September 2020. The gross profit after agricultural produce fair value adjustments decreased by approximately S\$2.5 million or approximately 71%, from approximately S\$3.5 million for the six months ended 30 September 2019 to approximately S\$1.0 million for the six months ended 30 September 2020. Separately, gross profit margin before agricultural produce fair value adjustments decreased to approximately 24% for the six months ended 30 September 2020 from approximately 27% for the six months ended 30 September 2019. The gross profit margin after agricultural produce fair value adjustments decreased to approximately 4% for the six months ended 30 September 2020 from approximately 15% for the six months ended 30 September 2019.

The gross profit margin has decreased for the six months ended 30 September 2020 as compared to the six months ended 30 September 2019 primarily due to increase in price of sourced eggs and employee benefits for the six months ended 30 September 2020.

Other income

The other income increased by approximately S\$896,000, from approximately S\$295,000 for the six months ended 30 September 2019 to approximately S\$1,191,000 for the six months ended 30 September 2020 primarily due to COVID-19 job support grant received from Singapore government.

Other (losses)/gains – net

The other (losses)/gains increased by approximately S\$416,000, from net gains of approximately S\$312,000 for the six months ended 30 September 2019 to net losses of approximately S\$104,000 for the six months ended 30 September 2020 primarily due to net currency exchange losses incurred during the six months ended 30 September 2020 as a result of the weakening of the HKD and USD against SGD.



FINANCIAL REVIEW *(Continued)*

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 increased by approximately S\$1.8 million, or approximately 64% from approximately S\$2.8 million for the six months ended 30 September 2019 to approximately S\$4.6 million for the six months ended 30 September 2020 primarily due to the increase in total number of fresh eggs produced and wholesale price of agricultural produce at the point of harvest during the six months ended 30 September 2020 as compared to 30 September 2019.

Loss arising from changes in fair value of biological assets less estimated point-of-sale costs

The loss arising from changes in fair value of biological assets less estimated point-of-sale costs increased by approximately S\$0.2 million from approximately S\$0.6 million for the six months ended 30 September 2019 to loss of approximately S\$0.8 million for the six months ended 30 September 2020. Such changes was primarily due to a lower number of growers as at 30 September 2020 as compared to the period ended 31 March 2020.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately S\$0.3 million or approximately 16% from approximately S\$1.9 million for the six months ended 30 September 2019 to approximately S\$1.6 million for the six months ended 30 September 2020 was primarily due to decrease in amortisation of right-of-use assets and upkeep of motor vehicles.

Administrative expenses

Administrative expenses increased from approximately S\$1.6 million for the six months ended 30 September 2019 to approximately S\$2.0 million for six months ended 30 September 2020. The increase was primarily due to increase in professional fees and employee benefits during the six months ended 30 September 2020.

LIQUIDITY AND FINANCIAL RESOURCES

For the six months ended 30 September 2020, the Group financed its operations by cash flow generated from operating activities and banking facilities.

The current ratio, being the ratio of current assets to current liabilities, was approximately 2.0 times as at 30 September 2020 (31 March 2020: 2.2 times). No gearing ratio was presented as the Group had net cash surplus as at 30 September 2020 (31 March 2020: 6%). The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus lease liabilities less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

LIQUIDITY AND FINANCIAL RESOURCES (Continued)

As at 30 September 2020 and 31 March 2020, the Group had cash and cash equivalents of approximately S\$13.7 million and S\$9.0 million, respectively, which were denominated mainly in Singapore Dollar, United States Dollar and Hong Kong Dollar.

As at 30 September 2020, total borrowings amounted to approximately S\$12.6 million (31 March 2020: S\$10.7 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 2020 S\$'000 (unaudited)	31 March 2020 S\$'000 (audited)
Non-current		
Lease liabilities	1,017	1,190
Bank borrowings	7,873	4,747
	8,890	5,937
Current		
Lease liabilities	994	1,207
Bank borrowings	2,680	3,578
	3,674	4,785
Total borrowings	12,564	10,722
Maturity of Bank Borrowings		
Within 1 years	2,680	3,578
Between 1 and 2 years	2,439	1,442
Between 2 and 5 years	5,138	2,881
Over 5 years	296	424
	10,553	8,325

As at 30 September 2020, the Group had undrawn borrowing facilities of approximately S\$9,526,000 million (31 March 2020: S\$6,011,000) which included unutilised loan facilities, trade facilities and non-revolving hire purchase facilities.



PLEDGE OF ASSETS

The borrowings amounting to approximately S\$1,627,000 as at 30 September 2020 (31 March 2020: S\$1,805,000) are secured by assignment over the investments in insurance contracts with a carrying amount of approximately S\$2,227,000 (31 March 2020: S\$2,295,000).

Lease liabilities of the Group amounting to approximately S\$1,537,000 as at 30 September 2020 (31 March 2020: S\$1,868,000) are effectively secured over the leased machinery and motor vehicles with a carrying amount of approximately S\$2,472,000 (31 March 2020: S\$2,468,000).

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the six months ended 30 September 2020. 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 2020.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

In June 2020, a subsidiary of the Group entered into an agreement with independent third parties to purchase 100% equity interest in a subsidiary, namely Khwan Hup Farming Pte Ltd, for a consideration of S\$275,000, such acquisition has been completed on 22 June 2020.

Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries during the six months ended 30 September 2020.

SIGNIFICANT INVESTMENTS

As at 30 September 2020, 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, 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 2020, the Group did not have any significant contingent liabilities.

CAPITAL COMMITMENTS

As at 30 September 2020, the Group did not have material capital commitments other than disclosed in Note 17 of Notes to the condensed consolidated financial statements of this report.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2020, the Group had a total of 239 employees (31 March 2020: 225). Staff cost, including Directors' remuneration, of the Group were approximately S\$3.8 million for the six months ended 30 September 2020 (six months ended 30 September 2019: S\$3.4 million).

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 2020 S\$'000 (unaudited)	31 March 2020 S\$'000 (audited)
Cash and bank deposits	776	173
Trade and other receivables	143	164
Bank borrowings	(1,628)	(1,805)
Trade and other payables	(385)	(368)
Investment in insurance contracts	2,227	2,295
	1,133	459

As at 30 September 2020, if USD had strengthened/weakened by 4% (31 March 2020: 5%) 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\$38,000 (31 March 2020: S\$19,000) higher/lower, 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 2020 S\$'000 (unaudited)	31 March 2020 S\$'000 (audited)
Cash and bank deposits	2,235	3,174
Trade and other payables	(42)	(38)
	2,193	3,136

As at 30 September 2020, if HKD had strengthened/weakened by 4% (31 March 2020: 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\$73,000 (31 March 2020: S\$156,000) 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. Up to 30 September 2020, the Group has applied the net proceeds as follows:

	Planned use of net proceeds from the Listing Date to 30 September 2020 HK\$' million	Actual utilised amount up to 30 September 2020 HK\$' million	Total unused net proceeds as at 30 September 2020 HK\$' million
Expanding egg laying production capacity in our existing production base	31.0	31.0	-
Working capital and other general corporate purposes	3.4	3.4	-
	<u>34.4</u>	<u>34.4</u>	<u>-</u>

The following table is a comparison between the Group's business objectives and the actual progress for the period from the Listing Date (i.e. 07 September 2018) to 30 September 2020:

Business objectives	Actual progress up to 30 September 2020
Expanding egg laying production capacity in our existing production base	<ul style="list-style-type: none"> - Obtained quotations and paid deposits for construction and shell and caging systems for one one-storey pullet house and six one-storey layer houses - Appointed professionals to prepare site plans and drawing and design works - Submitted the applications to the relevant authorities for the construction of one one-storey pullet house and six one-storey layer houses - Levelling the site in preparation for the commencement of the physical construction - Constructing the driveway, permanent boundary and drainage system



USE OF PROCEEDS AND COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS *(Continued)*

The expansion of the chicken eggs laying facilities at our current farm is underway. The Group has appointed a professional firm to prepare site plans and drawings for the expansion. After delays in obtaining the planning and obtaining pre-construction approvals from various relevant governmental agencies in Singapore, the Group has obtained approval from the governmental authorities to commence construction.

Barring unforeseen circumstances and further disruptions that may result from the COVID-19 pandemic, the expected timeline to complete the one-storey pullet house and three one-storey layer houses is by mid of 2021. Thereafter, pending the approvals from the relevant governmental authorities, the construction of the remaining three one-storey layer houses is expected to start and to be completed by the end of 2022.

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 to the attention of the Directors since the end of the interim period for the six months ended 30 September 2020.

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value. To accomplish this, the Company has adopted the principles and the code provisions of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) set out in Appendix 15 of the GEM Listing Rules. In particular, the Company regards a pre-eminent board of directors, sound internal controls and accountability to all shareholders as the core elements of its corporate governance principles. The Board will review at least annually the corporate governance practices of the Company to ensure its continuous compliance with the CG Code, and make appropriate changes if considered necessary.

Save for the deviation from code provision A.2.1 of the CG Code as mentioned below, the Company, to the best knowledge of the Board, has complied with all applicable code provisions 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. Mr. Ma, a founder and an executive director, has served as the Group’s chief executive officer since 2009 and was appointed the chairman of the Board in September 2018. Mr. Ma has been providing leadership to the Board and is responsible for overseeing the daily operations of the Group. 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 and efficient strategic planning and execution of plans for the Group. The Company has put in place a sound check-and-balance mechanism through the Board and the independent non-executive Directors. In light of the above, the Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in the circumstances of the Company.

DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTERESTS IN COMPETING BUSINESSES

Save as disclosed elsewhere in this report, 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 2020.



INTERESTS OF COMPLIANCE ADVISER

As at 30 June 2020, as notified by the Company's compliance adviser, Lego Corporate Finance Limited ("Lego"), except for the compliance adviser agreement dated 19 September 2019 entered into between the Company and Lego, neither Lego 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

Radiant Grand (the controlling shareholder of the Company) and Mr. Ma Chin Chew (the sole director and shareholder of Radiant Grand and chairman of the Board) have entered into the deed of non-competition (the "Non-Compete Undertakings") in favour of the Group dated 15 August 2018.

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 2020.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the "Scheme") pursuant to a resolution of the shareholders of the Company passed on 15 August 2018. The purpose of the Scheme is to advance the interests of the Company and the Shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group. The terms of the Scheme are in compliance 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 2020, 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 and 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%

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 2020, 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%

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 six months ended 30 September 2020.

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 2020, 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, 5 November 2020

As at the date of this report, the executive Directors are Mr. Ma Chin Chew, 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.

