

No.1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Second Quarter			Year-To-Date		
	(01/10/05 - 31/12/05)	(01/10/04 - 31/12/04)	Change	(01/07/05 - 31/12/05)	(01/07/04 - 31/12/04)	Change
	S\$ '000 Group	S\$ '000 Group		S\$ '000 Group	S\$ '000 Group	
Revenue	16,193	24,908	-35.0%	33,388	46,434	-28.1%
Cost of sales	(19,215)	(23,399)	-17.9%	(33,270)	(37,383)	-11.0%
Gross profit/(loss) (See Note A below)	(3,022)	1,509	-300.3%	118	9,051	-98.7%
Other operating income	2,738	87	3047.1%	4,875	159	2966.0%
Other operating expenses	(13)	(99)	-86.9%	(70)	(704)	-90.1%
Selling and distribution expenses	(1674)	(1,971)	-15.1%	(2,944)	(3,916)	-24.8%
Administrative expenses	(3,170)	(3,476)	-8.8%	(6,356)	(7,196)	-11.7%
Provision for inventories / write-off	292	359	-18.7%	414	476	-13.0%
Provision for doubtful debts	741	(51)	-1552.9%	(2,376)	(1,202)	97.7%
Finance costs (interest expense)	(749)	(816)	-8.2%	(1,604)	(1,592)	0.8%
(Loss)/profit before share of results of associates	(4,857)	(4,458)	9.0%	(7,943)	(4,924)	61.3%
Loss from associates	(144)	(277)	-48.0%	(252)	(410)	-38.5%
(Loss)/profit before income tax	(5,001)	(4,735)	5.6%	(8,195)	(5,334)	53.6%
Income tax	0	(2)	-100.0%	0	(2)	-100.0%
(Loss)/profit attributable to shareholders of the company	(5,001)	(4,737)	5.6%	(8,195)	(5,336)	53.6%

Additional information to the income statement

(i) Depreciation & amortization						
- charged to costs of sales	(4,888)	(2,376)	105.7%	(8,435)	(6,307)	33.7%
- charged to selling, distribution and administrative expenses	(415)	(763)	-45.6%	(1,054)	(1,508)	-30.1%
Foreign exchange (loss)/gain	172	(147)	-217.0%	1,930	(630)	-406.3%

Note A:

	(01/10/05 - 31/12/05) S\$ '000 Group
Sales	16,193
Cost of sales - trade	(15,801)
Gross profit - trade	392
Unabsorbed plantation expenses	(3,414)
Gross profit	(3,022)

Remark:

The unabsorbed plantation expenses were due to plantation expenses not absorbed by the revenue. This was because the plantations had low yield, arising from the cold weather which adversely affected the growth of the grapes and pears during the flowering period.

No.1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group \$ '000		Company \$ '000	
	As at 31/12/05	As at 30/06/05	As at 31/12/05	As at 30/06/05
ASSETS				
Current assets :				
Cash	1,922	2,887	39	46
Trade receivables	5,914	11,379	0	0
Other receivables and prepayments	4,989	4,805	291	60
Inventories	17,663	16,373	0	0
Total current assets	30,488	35,444	330	106
Non-current assets :				
Goodwill arising on acquisition of subsidiary	800	800	0	0
Subsidiaries	0	0	64,173	64,173
Associates	1,537	1,789	3,546	3,546
Other investments	68	68	0	0
Property, plant and equipment	54,181	56,543	192	229
Biological asset - Plantations	34,584	37,520	0	0
Total non-current assets	91,170	96,720	67,911	67,948
Total assets	121,658	132,164	68,241	68,054
LIABILITIES AND EQUITY				
Current liabilities :				
Bank loans - secured	44,291	35,633	0	0
Trade payables	10,758	14,762	0	0
Other payables	15,547	12,110	2,616	2,160
Income tax payable	699	690	0	0
Current portion of finance leases	26	34	26	34
Total current liabilities	71,321	63,229	2,642	2,194
Non-current liabilities :				
Finance leases	3	12	3	12
Long-term bank loans - secured	0	9,158	0	0
Total non-current liabilities	3	9,170	3	12
Capital and reserves :				
Issued capital	6,155	6,155	6,155	6,155
Share premium	54,443	54,443	54,443	54,443
Capital reserve	944	944	0	0
Capital Reduction Reserve	18,384	18,384	18,384	18,384
Foreign currency translation reserve	9,313	10,549	0	0
General reserve	2,201	2,201	0	0
Accumulated (losses) profits	(41,106)	(32,911)	(13,386)	(13,134)
Total equity	50,334	59,765	65,596	65,848
Total liabilities and equity	121,658	132,164	68,241	68,054

No.1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

(\$ '000)

As at 31/12/2005		As at 30/06/2005	
Secured	Unsecured	Secured	Unsecured
44,291	0	35,633	0

Amount repayable after one year

(\$ '000)

As at 31/12/2005		As at 30/06/2005	
Secured	Unsecured	Secured	Unsecured
0	0	9,158	0

Details of any collateral

All the bank loans are secured by pledging fixed assets, mainly land and buildings of subsidiaries as collateral.

No.1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Cashflow Statement for the reporting period ended	31/12/2005 S\$ '000	31/12/2004 S\$ '000
Cash flows from (used in) operating activities:		
Loss before share of losses of associates	(7,943)	(4,924)
Adjustments for:		
Interest expense	1,604	1,592
Interest income	(13)	(14)
Depreciation expense	9,489	7,815
Amortization of goodwill	-	42
Loss on disposal of property, plant and equipment	-	16
Provision for doubtful debts - trade receivables	2,376	1,167
Provision for doubtful debts - other receivable	-	63
Provision for inventories/ write-off	(414)	(480)
Operating profit/(loss) before working capital changes	5,099	5,277
Trade receivables	3,103	(2,378)
Other receivables and prepayments	(199)	1,386
Inventories	(2)	(12,599)
Trade payables	(4,037)	9,555
Other payables	3,437	5,734
Cash generated from operations	7,401	6,975
Interest paid	(1,604)	(1,592)
Interest received	13	14
Income tax received/(paid)	-	-
Net cash from operating activities	5,810	5,397
Cash flows used in investing activities:		
Purchase of property, plant and equipment	(631)	(1,334)
Additions to biological assets	(4,022)	(5,116)
Proceeds from disposal of property, plant and equipment	-	149
Net cash used in investing activities	(4,653)	(6,301)
Cash flows from financing activities:		
Bank loans	8,658	5,053
Long-term bank loans	(9,158)	(8,766)
Repayment of finance leases	(17)	(16)
Net cash from financing activities	(517)	(3,729)
Net effect of exchange rate changes in consolidating subsidiaries	(1,605)	2,076
Net increase/(decrease) in cash and cash equivalents	(965)	(2,557)
Cash and cash equivalents at beginning year	2,887	6,641
Cash and cash equivalents at end of reporting period	1,922	4,084

No. 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Issued capital \$ '000	Share premium \$ '000	Capital reserve \$ '000	Capital Reduction Reserve \$ '000	Foreign currency translation reserve \$ '000	General reserve \$ '000	Accumulated gain/(losses) \$ '000	Total \$ '000
GROUP								
Bal at 01/07/2005	6,155	54,443	944	18,384	10,549	2,201	(32,911)	59,765
Currency translation arising during the reporting period	0	0	0	0	(613)	0	0	(613)
Loss for the reporting period	0	0	0	0	0	0	(3,194)	(3,194)
Bal at 30/09/2005	6,155	54,443	944	18,384	9,936	2,201	(36,105)	55,958
Currency translation arising during the reporting period	0	0	0	0	(623)	0	0	(623)
Loss for the reporting period	0	0	0	0	0	0	(5,001)	(5,001)
Bal at 31/12/2005	6,155	54,443	944	18,384	9,313	2,201	(41,106)	50,334

COMPANY								
Bal at 01/07/2005	6,155	54,443	0	18,384	0	0	(13,134)	65,848
Profit for the reporting period							279	279
Bal at 30/09/2005	6,155	54,443	0	18,384	0	0	(12,855)	66,127
Loss for the reporting period	0	0	0	0	0	0	(531)	(531)
Bal at 31/12/2005	6,155	54,443	0	18,384	0	0	(13,386)	65,596

No. 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.

Not Applicable

No. 2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or and equivalent standard).

The figures for the current reporting period have not been audited or reviewed.

No.3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not Applicable

No. 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting polices and methods of computation in the financial statements for the current reporting period as those in the audited annual financial statements as at 30 June 2005.

No. 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not Applicable

No.6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	(01/07/05 - 31/12/05) \$ '000	(01/07/04 - 31/12/04) \$ '000
Earnings attributable to shareholders	(8,195)	(5,336)
Weighted average number of ordinary shares applicable to basic earnings per share	1,230,963	1,230,963
Weighted average number of ordinary shares applicable to diluted earnings per share	Not Applicable	Not Applicable
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Earnings per ordinary share, in cents :		
- based on the weighted ave	(0.67)	(0.43)
- based on fully diluted basis	Not Applicable	Not Applicable

No.7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	As at 31/12/05 cents	As at 30/06/05 cents
Group	4.09	4.86
Company	5.33	5.35

No. 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

- (i) The Group had a revenue of \$16.2 million in the 2nd Quarter of the current financial year compared with \$24.9 million in the previous corresponding quarter. This represented a decrease of \$8.7 million or 35.0%. This was mainly attributable to lower revenue from Fuji apples as the Group had limited cash flow to source and procure premium Fuji apples.

For the first half of the current financial year, the revenue of the Group was \$33.4 million, representing a decrease of \$13.0 million or 28.1% over the previous corresponding period. The reason for the decrease was primarily due to lower revenue from Fuji apples.

- (ii) In the 2nd Quarter of the current financial year, the gross profit of the Group was -\$3.0 million compared with \$1.5 million in the previous corresponding quarter. This was mainly attributable to the following reasons:
- (a) Lower yield of grapes and lower quality of pears for this season, arising from cold weather which affected the flowers of the fruits.
 - (b) Lower profit margin of dehydrated garlic, even though it was positive, was due to shortages of raw garlic.

The Group's gross profit in the first half of the current financial year was \$118k compared with \$9.1 million in the previous corresponding period. The reasons for the decrease were the same as given above and the lower margin of Fuji apples in the 1st Quarter of the current financial year.

- (iii) The Group's other operating income in the 2nd Quarter of current financial year was \$2.7 million compared with \$87k in the previous corresponding quarter. This was mainly derived from a one-off profit on sale of plastic containers of \$3.1 million.

For the first half of the current financial year, the other operating income was \$4.9 million compared with \$159k in the previous corresponding period. Besides the profit on sale of plastic containers of \$3.1 million as mentioned above, there was a foreign exchange gain of \$1.8 million in the 1st Quarter of the current financial year, arising from the revaluation of the Renminbi.

- (iv) In the 2nd Quarter of the current financial year, there was a reversal of \$741k from Provision for Doubtful Debts to the profit and loss accounts. This was mainly because there was certain recovery of debts and hence the provision was no longer required.
- (v) As at 31st December 2005, the current liabilities of the Group were \$71.3 million compared with \$63.2 million as at 30th June 2005. The increase was mainly due to reclassification of \$8.7 million of long term bank loans to current bank loans as they were now repayable within twelve months and the reduction in cashflow arising from the losses incurred by the Group.
- (vi) Negotiations are proceeding smoothly and pending final negotiations with the two principal bankers in China, the Company had made the following payments to them as follows:
- RMB 2.8 million in December 05
 - RMB 3.6 million in January 06.

No.9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

None

No. 10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's results for the current year were affected by :

- (i) A delay in the Group's recapitalisation schemes resulting in adverse impact on the Group's cashflow, purchasing capabilities and finance costs.
- (ii) With limited cashflow, the Group continues to operate under difficult conditions.

The factors influencing the competitiveness of the industry and the factors that may affect the Group in the next reporting period and the next 12 months are as follows :

- (i) The ability to have an adequate level of working capital which is dependent on the outcome of the Group's proposed recapitalisation schemes currently in progress.
As stated in the SGXNET announcement of 12th January 2006, five unrelated individual investors have granted loans with an aggregate amount of \$6.5 million to the Company. The Company has the discretion to repay the loans either in cash or by issue of new ordinary shares of \$0.005 each.
The Company is proposing a renounceable non-underwritten rights issue of 4,923,852,668 new ordinary shares at an issue price of \$0.005 each, on the basis of four rights shares for every one existing ordinary shares.
This is subject to the approval by SGX-ST and the approval of the shareholders at an EGM.
- (ii) The continued tightening of credit by local Chinese banks.
- (iii) Increased level of competition from substantial new entrants to the industry.
- (iv) The rising price of crude oil and related raw materials.
- (v) The strengthening exchange rate of the Renminbi against the US Dollar.

No. 11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ?

None.

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

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

No dividend has been declared or recommended for the reporting period ended 31/12/2005

ADDITIONAL INFORMATION

Interested Person Transactions (In S\$ '000)

The aggregate value of interested person transactions entered into during the reporting period ended 31 December 2005 is as follows : -

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted pursuant to shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
None	0	0