ARISTON HOLDINGS LIMITED

Registered Office: 306 Hillside Road, Msasa Woodlands,
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ABRIDGED UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2017

Chief Executive Officer's Statement

INTRODUCTION
The trading environment continued to be challenging, characterised by constrained liquidity and declining disposable incomes.

On the Estates, the period was characterised by heavy rains. All Estate dams are full, greatly enhancing the Group's ability to irrigate in the season ahead.

VOLUMES AND OPERATIONS

Stone and pome fruit
Stone fruit harvesting has been completed for the season and volumes improved to 943 tonnes from 776 tonnes achieved during the prior comparative period. Average pricing was 13% below the comparative period as a result of disappointing export volumes.

Pome fruit harvesting is in progress. So far, the volume is ahead of the prior comparative period with 709 tonnes already harvested compared to 543 tonnes for the comparative period. Pricing has been firm.

The increase in yields for both stone fruit and pome fruit is the result of young orchards coming into production. Quality for both products has been good.

Passion fruit
The small passion fruit orchard continues to produce fruit at acceptable levels. Pricing has however been 3% weaker than that of the prior comparative period.

Avocados
Harvesting of avocados will commence in the third quarter. Export price forecasts are very positive and the crop volume is expected to be in line with expectations.

Annual crops
Potato plantings have been limited by incessant rain, nevertheless, production is up on the prior comparative period. At Kent Estate commercial maize, seed maize and beans await harvesting in the third quarter.

Poultry
Poultry continued to perform well. Utilisation of the second poultry site will commence after half year.

Tea
Tea production for the six-month period was 1,392 tonnes which was 18% ahead of the prior comparative period. Year-end production is expected to be comfortably ahead of prior year. The average tea export pricing improved by 11% during the period.

Sales of blended teas have been slightly ahead of the prior comparative period in terms of volumes produced and sold with improved margins being realised.

Macadamia
Although late, the macadamia harvest for 2017 is set to surpass prior levels. The quality of macadamia nuts harvested so far has been the best ever achieved. As a consequence, average prices have increased. The macadamia drying facility which was brought into use during the period under review has greatly reduced the drying period and improved quality.

FINANCIAL PERFORMANCE
The Group has adopted the amendments to the International Financial Reporting Standards (IFRS) relating to the accounting treatment of biological assets which meet the definition of bearer plants. This has necessitated the restatement of comparative financial information.

The Group recorded revenue of US$3.48 million in the six-month period ended 31 March 2017 compared to US$3.79 million recorded in the prior comparative period. The 8% decline in revenue was due to late commencement of macadamia harvesting and should reverse in the second half of the year.

Southdown Estates contributed 71% to the Group's revenue compared to 75% in the prior comparative period.

Claremont Estate contributed 20% to the Group's revenue compared to 16% in the prior comparative period, while Kent Estate's contribution to the Group's revenue at 9% remained unchanged from the prior comparative period.

The Group posted a loss from operations of US$1.40 million compared to a loss from operations of US$1.24 million (restated) for the prior comparative period. Finance costs reduced to US$0.71 million from US$2.05 million for the prior comparative period as a result of the conversion of shareholder loans to equity in August 2016.

OUTLOOK
Considering the slow start to the harvesting period for 2017, performance is in line with expectations. Due to the cyclical nature of our agricultural model, the second half of the year represents the harvesting and selling season for the majority of our crops. So far indications are that the Group will have higher yields than prior year. Pricing remains firm and the Group has adequate export orders for this season's production.

DIVIDEND
In view of working capital constraints and the urgent need to preserve available cash, the Board has seen it prudent not to declare a dividend.

DIRECTORATE
Mr. C. Mudenda was appointed to the Board as a non-executive director on 22 November 2016.

On 31 January 2017, Mr. H.A. Nolte resigned from the Board. We thank him for his contribution to the Group.

APPRECIATION
Management and staff are grateful for the continued support given by the Board, shareholders and the Group's various stakeholders.

BY ORDER OF THE BOARD

P.T. SPEAR
CHIEF EXECUTIVE OFFICER

7 JUNE 2017

Abridged Group Statement of Profit or Loss and Other Comprehensive Income

All figures in US$	UNAUDITED Half Year Ended 31-Mar-17	UNAUDITED Half Year Ended 31-Mar-16 RESTATED (Note 11)	UNAUDITED Year Ended 30-Sep-16 RESTATED (Note 11)
Revenue	**3,479,986**	**3,789,536**	**9,199,482**
Cost of production	(2,662,667)	(2,694,231)	(6,825,965)
Gross profit	817,319	1,095,305	2,373,517
Other operating income	158,803	147,892	770,771
	976,122	1,243,197	3,144,288
Operating expenses	(2,371,921)	(2,487,720)	(4,857,190)
Loss from operations	**(1,395,799)**	**(1,244,523)**	**(1,712,902)**
Fair value adjustments	210,074	943,055	(542,802)
Share of loss of a joint venture	(3,000)	(42,000)	(63,000)
Loss before interest and taxation	**(1,188,725)**	**(343,468)**	**(2,318,704)**
Finance costs reversal	-	-	3,345,033
Finance costs	(709,637)	(2,046,237)	(3,555,709)
Loss before taxation	(1,898,362)	(2,389,705)	(2,529,380)
Income tax (expense)/credit	(100,568)	241,234	331,737
Loss for the period	**(1,998,930)**	**(2,148,471)**	**(2,197,643)**
Other comprehensive income (net of tax)	-	-	-
Total comprehensive loss for the period	**(1,998,930)**	**(2,148,471)**	**(2,197,643)**
Number of shares in issue	**1,600,795,595**	**1,378,595,595**	**1,600,795,595**
Weighted average number of shares in issue	**1,600,795,595**	**1,378,595,595**	**1,415,628,928**
Loss per share (dollars)			
Basic loss per share	(0.0012)	(0.0016)	(0.0016)
Diluted loss per share	(0.0012)	(0.0016)	(0.0016)

Abridged Group Statement of Financial Position

All figures in US$	UNAUDITED As at 31-Mar-17	UNAUDITED As at 31-Mar-16 RESTATED (Note 11)	UNAUDITED As at 30-Sep-16 RESTATED (Note 11)
ASSETS			
Non-current assets			
Property, plant and equipment	30,209,790	30,617,692	30,165,762
Investment in joint ventures	-	-	-
Investments	25,650	25,650	25,650
Deferred tax	5,456,700	5,988,816	5,572,662
	35,692,140	**36,632,158**	**35,764,074**
Current assets			
Biological assets - consumable	7,953,551	9,235,987	7,743,477
Inventories	1,569,323	1,767,812	891,706
Trade and other receivables	854,116	962,020	1,027,365
Cash and cash equivalents	136,361	215,095	142,375
	10,513,351	**12,180,914**	**9,804,923**
TOTAL ASSETS	**46,205,491**	**48,813,072**	**45,568,997**
EQUITY			
Share capital and reserves			
Share capital	1,600,795	1,378,595	1,600,795
Share premium	10,756,492	7,059,932	10,756,492
Share-based payments reserve	940	2,468	940
Distributable reserves	1,836,363	3,882,937	3,835,293
	14,194,590	**12,323,932**	**16,193,520**
LIABILITIES			
Non-current liabilities			
Borrowings	7,949,036	9,600,265	7,212,577
Deferred tax	9,106,167	9,628,218	9,121,561
Finance lease obligation	88,095	63,741	53,402
	17,143,298	**19,292,224**	**16,387,540**
Current liabilities			
Trade and other payables	8,749,092	8,053,680	7,784,859
Borrowings	6,039,722	9,069,317	5,099,065
Finance lease obligation	78,789	73,919	104,013
	14,867,603	**17,196,916**	**12,987,937**
TOTAL EQUITY AND LIABILITIES	**46,205,491**	**48,813,072**	**45,568,997**

Abridged Group Statement of Cash Flows

All figures in US$	UNAUDITED Half Year Ended 31-Mar-17	UNAUDITED Half Year Ended 30-Mar-16 RESTATED (Note 11)	UNAUDITED Year Ended 30-Sep-16 RESTATED (Note 11)
Cash flows from operating activities			
Loss before interest and taxation	(1,188,725)	(343,468)	(2,318,704)
Non-cash items	609,123	(159,209)	3,975,617
Cash (outflow)/inflow from operations	(579,602)	(500,677)	1,656,913
Finance costs	(709,637)	(2,046,237)	(3,555,709)
Income taxes paid	-	-	-
Changes in working capital	459,865	(236,346)	305,594
Cash utilised in operating activities	**(829,374)**	**(2,783,260)**	**(1,593,202)**
Cash flows from investing activities			
Cash utilised in investing activities	(863,225)	(275,417)	(652,972)
Cash utilised in investing activities	**(863,225)**	**(275,417)**	**(652,972)**
Cash flows from financing activities			
Cash generated from financing activities	1,686,585	3,195,894	2,310,671
Cash generated from financing activities	**1,686,585**	**3,195,894**	**2,310,671**
Net cash (outflow)/inflow	**(6,014)**	**137,217**	**64,497**
Cash and cash equivalents at beginning of period	142,375	77,878	77,878
Cash and cash equivalents at end of period	**136,361**	**215,095**	**142,375**

Abridged Group Statement of Changes in Equity

All figures in US$	Share capital	Share premium	Share-based payment reserve	Non-distributable reserves	Distributable reserves	Total
Balance as at 1 October 2015 (Restated)	**1,378,595**	**7,059,932**	**2,468**	**10,998,626**	**(4,967,218)**	**14,472,403**
Transfer to distributable reserves*	-	-	-	(10,998,626)	10,998,626	-
Total comprehensive loss for the period	-	-	-	-	(2,148,471)	**(2,148,471)**
Balance as at 31 March 2016 (Restated)	**1,378,595**	**7,059,932**	**2,468**	**-**	**3,882,937**	**12,323,932**
Transfer to distributable reserves on share options expired	-	-	(1,528)	-	1,528	-
Share issue through debt-to-equity conversion	222,200	3,777,800	-	-	-	**4,000,000**
Share issue expenses	-	(81,240)	-	-	-	**(81,240)**
Total comprehensive loss for the period	-	-	-	-	(49,172)	**(49,172)**
Balance as at 30 September 2016 (Restated)	**1,600,795**	**10,756,492**	**940**	**-**	**3,835,293**	**16,193,520**
Total comprehensive loss for the period	-	-	-	-	(1,998,930)	**(1,998,930)**
Balance as at 31 March 2017	**1,600,795**	**10,756,492**	**940**	**-**	**1,836,363**	**14,194,590**

* The directors resolved to transfer an amount totaling US$10,998,626 from non-distributable reserves to distributable reserves. Non-distributable reserves arose as a result of change in functional currency from Zimbabwe dollars to United States of America dollars.

Supplementary Information

All figures in US$	UNAUDITED Half Year Ended 31-Mar-17	UNAUDITED Half Year Ended 31-Mar-16 RESTATED (Note 11)	UNAUDITED Year Ended 30-Sep-16 RESTATED (Note 11)
1. Depreciation of property, plant and equipment	**827,244**	**790,798**	**1,592,431**
2. Capital expenditure for the period	**871,272**	**284,332**	**711,145**
3. Trade and other payables			
Trade payables	2,602,451	4,891,396	1,038,981
Other payables	6,146,641	3,162,284	6,745,878
	8,749,092	**8,053,680**	**7,784,859**
4. Borrowings			
Long-term borrowings	7,949,036	9,600,265	7,212,577
Short-term borrowings	6,039,722	9,069,317	5,099,065
	13,988,758	**18,669,582**	**12,311,642**

The weighted average effective interest rate on borrowings is 9% per annum (2016: 10% per annum). Borrowings are secured by property, plant and equipment and trade and other receivables of the Group.

5. Commitments for capital expenditure			
Authorised by directors but not contracted	248,791	980,688	1,120,063
	248,791	**980,688**	**1,120,063**

The capital expenditure will be financed out of the Group's own resources and existing facilities.

6. Reportable Segments

All figures in US$	Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	Total
31 March 2017					
Segment revenue	2,465,007	681,136	333,843	-	3,479,986
Segment EBITDA (excluding fair value adjustments)	(78,746)	(68,830)	(143,976)	(277,003)	(568,555)
Segment depreciation	(404,969)	(147,385)	(79,906)	(194,984)	(827,244)
31 March 2016					
Segment revenue	2,824,495	603,079	361,962	-	3,789,536
Segment EBITDA (excluding fair value adjustments)	601,679	(330,283)	(295,423)	(429,698)	(453,725)
Segment depreciation	(355,818)	(147,440)	(113,210)	(174,330)	(790,798)

7. Currency of reporting
The Group financial results reflect United States Dollars (US$). This is the functional and reporting currency of the Group.

8. Statement of compliance
The Group financial results have been prepared in accordance with International Financial Reporting Standards (IFRS).

9. Basis of preparation
The Group financial results have been prepared on the historical cost basis except for consumable biological assets and certain financial instruments that are measured at fair value.

10. Accounting policies
The Group has adopted all the new and revised accounting pronouncements applicable for the period ending 31 March 2017 as issued by the International Accounting Standards Board. The accounting policies adopted in the preparation of the consolidated financial statements as at 30 September 2016 have been consistently applied in these Group financial results other than for the adoption of amendments to International Accounting Standard 16: Property, Plant and Equipment (IAS 16) and International Accounting Standard 41: Agriculture (IAS 41) as shown under Note 11 of these Group financial results.

11. Change in accounting policy
The Group changed its accounting policy for the treatment of biological assets which meet the definition of bearer plants as a consequence of the adoption of the amendments to IAS 16 and IAS 41 which require bearer plants to be accounted for at cost or valuation in accordance with IAS 16 and not at fair value less costs to sell as previously required by IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The Group elected to measure bearer plants at their fair values as at 1 October 2015 and to use such fair values as the deemed cost as at that date. Subsequent to this date the Group will account for bearer plants under the cost model of IAS 16. In the transitional period, any difference between the previous carrying amount and the fair value of bearer plants as at 1 October 2015 was recognised in distributable reserves at that date; and in the Group's case represents costs to sell. Comparative amounts were restated accordingly.

The effect of the change in accounting policy on the Group's financial results for the half year ended 31 March 2016 and for the year ended 30 September 2016 was as follows:

All figures in US$	UNAUDITED Half Year Ended 31-Mar-16	UNAUDITED Year Ended 30-Sep-16
Increase/(decrease) in fair value adjustments	41,681	(2,638,792)
Increase in operating expenses	(244,431)	(488,861)
Increase in income tax credit/decrease in income tax expense	52,208	805,371
Increase in loss for the period/decrease in profit for the year	**(150,542)**	**(2,322,282)**
Decrease in biological assets	(20,075,213)	(22,834,606)
Increase in property, plant and equipment	20,343,552	20,178,042
(Increase)/decrease in deferred tax liability	(69,097)	684,066
Increase/(decrease) in distributable reserves	**199,242**	**(1,972,498)**
Increase in distributable reserves at 1 October 2015	**349,784**	**349,784**
Increase in basic loss per share/decrease in basic earnings per share (dollars)	(0.00011)	(0.0016)
Increase in diluted loss per share/decrease in diluted earnings per share (dollars)	(0.00011)	(0.0016)

12. Going concern
The Group incurred a loss from operations of US$1,395,799 (31-Mar-16: US$1,244,523). As at 31-Mar-17 the Group's current liabilities exceed the current assets by US$4,354,252 (30-Sep-16: US$3,183,014).

Based on an assessment made by the directors as at 31-Mar-17, the directors have every reason to believe that the Group has adequate resources to continue in operation for the foreseeable future. Accordingly, the financial results have been prepared on a going concern basis.