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**First Quarter Financial Statements Announcement for the Period Ended 30-Jun-2018**

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**No.1(a) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period.**

Note : The financial result for the 1st quarter ended 30 June 2017 was restated from the result announced on 11 August 2017 with respect to the prior period adjustments as stated in Note 30 to the Annual Report 2017/18.

	<b>Group</b>		<b>Change</b>
	<b>First Quarter Ended</b>	<b>30-Jun-17</b>	
	<b>30-Jun-18</b>	<b>Restated</b>	
	<b>\$ '000</b>	<b>\$ '000</b>	<b>%</b>
<b>Continuing operations</b>			
Revenue	15,933	6,166	158%
Cost of sales	(15,567)	(5,680)	174%
<b>Gross profit</b>	<b>366</b>	<b>486</b>	-25%
Other income	79	11	618%
Selling & Distribution costs	(465)	(341)	36%
Administrative expenses	(751)	(614)	22%
Other expenses	(69)	(16)	331%
Finance costs	(1)	(1)	0%
<b>Loss before income tax</b>	<b>(841)</b>	<b>(475)</b>	77%
Income tax expense		-	n.m
<b>Loss from continuing operations for the period, net of income tax</b>	<b>(841)</b>	<b>(475)</b>	77%
<b>Discontinued operations</b>			
Profit from discontinued operations for the period, net of income tax	1,444	3,066	-53%
<b>Profit for the period</b>	<b>603</b>	<b>2,591</b>	-77%
<b>Other comprehensive (loss)/income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
<b>Reclassification to profit or loss on disposal of subsidiaries:</b>			
Foreign currency translation reserve	(1,544)	(793)	95%
Exchange difference arising from translation of foreign operations	73	26	181%
<b>Total comprehensive (loss)/income for the period</b>	<b>(868)</b>	<b>1,824</b>	n.m
<b>Profit for the period included the following</b>			
Depreciation of property, plant & equipment	(17)	(16)	
Amortisation of intangible assets	(12)	(12)	
Interest expenses	(1)	(1)	
<b>Profit from discontinued operations for the period</b>			
<b># included the following</b>			
Gain on disposal of subsidiaries	1,544	3,046	
<b>** Other income included:</b>			
- Government grant	58	2	
- Interest income	14	-	
- Other income	1	3	
- Franchise income	6	6	
	79	11	

## No.1(b)(i) Statements of financial position as at :

	Group		Company	
	As at 30-Jun-18	As at 31-Mar-18	As at 30-Jun-18	As at 31-Mar-18
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Subsidiaries	-	-	26,888	18,450
Available-for-sale equity investments	-	-	-	-
Property, plant and equipment	97	113	-	-
Intangible assets	87	99	87	99
<b>Total non-current assets</b>	<b>184</b>	<b>212</b>	<b>26,975</b>	<b>18,549</b>
<b>Current assets</b>				
Cash and cash equivalents	7,004	11,363	314	9,136
Trade receivables	10,066	10,102	-	-
Other receivables	1,327	1,648	20	18
Deposits and prepayments	936	304	12	31
Inventories	6,398	4,453	-	-
<b>Total current assets</b>	<b>25,731</b>	<b>27,870</b>	<b>346</b>	<b>9,185</b>
<b>Total assets</b>	<b>25,915</b>	<b>28,082</b>	<b>27,321</b>	<b>27,734</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	139,508	139,508	139,508	139,508
Other reserves	15,859	17,330	17,063	17,063
Accumulated losses	(141,355)	(141,958)	(130,316)	(129,989)
<b>Total equity</b>	<b>14,012</b>	<b>14,880</b>	<b>26,255</b>	<b>26,582</b>
<b>Non-current liabilities :</b>				
Finance leases obligation	48	51	-	-
Financial liabilities arising from contingent issuance of shares	-	-	-	-
<b>Current liabilities</b>				
Trade payables	9,480	10,969	-	-
Other payables and accruals	2,353	2,164	1,066	1,152
Finance leases obligation	22	18	-	-
<b>Total current liabilities</b>	<b>11,855</b>	<b>13,151</b>	<b>1,066</b>	<b>1,152</b>
<b>Total liabilities</b>	<b>11,903</b>	<b>13,202</b>	<b>1,066</b>	<b>1,152</b>
<b>Total liabilities and equity</b>	<b>25,915</b>	<b>28,082</b>	<b>27,321</b>	<b>27,734</b>

**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 30-Jun-18		As At 31-Mar-18	
	Secured	Unsecured	Secured	Unsecured
Bank loans	-	-	-	-

**Details of any collateral**

Nil.

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

	<b>Group</b>	
	<b>First Quarter Ended</b>	
	<b>30-Jun-18</b>	<b>30-Jun-17</b>
	<b>\$'000</b>	<b>\$'000</b>
		<b>Restated</b>
<b>Operating activities</b>		
Loss before income tax from continuing operations	(841)	(475)
Profit from discontinued operations before tax	1,444	3,066
Adjustments for:		
Interest expense	1	1
Interest income	(14)	-
Depreciation of property, plant and equipment	17	16
Amortisation of intangible asset	12	12
Gain on disposal of subsidiaries	(1,544)	(3,046)
Operating loss before working capital changes	<u>(925)</u>	<u>(426)</u>
Change in working capital:		
Trade and other receivables	(275)	499
Inventories	(1,945)	117
Trade and other payables	(1,300)	(1,458)
Cash used in operations	<u>(4,445)</u>	<u>(1,268)</u>
Income tax refund	-	-
<b>Net cash used in operating activities</b>	<u>(4,445)</u>	<u>(1,268)</u>
<b>Investing activities</b>		
Interest received	14	-
Proceeds from disposal of subsidiaries	-	2,568
<b>Net cash generated from investing activities</b>	<u>14</u>	<u>2,568</u>
<b>Financing activities</b>		
Interest paid	-	(1)
Repayment of finance lease	-	(4)
<b>Cash used in financing activities</b>	<u>-</u>	<u>(5)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(4,431)	1,295
Cash and cash equivalents at beginning of the period	11,363	557
Effect of exchange rate fluctuations on cash and cash equivalents	72	25
<b>Cash and cash equivalents at end of the period</b>	<u>7,004</u>	<u>1,877</u>

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 period.

	Share capital	Capital reserve	Capital reduction reserve	Foreign currency translation reserve	Revaluation reserve	General reserve	Reserve for contingent issuance of shares	Other reserves total	Reserve of disposal group classified as held for sales	Accu-mulated (losses)	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000		\$ '000	\$ '000
<b>GROUP</b>											
<b>Bal at 01/04/2018</b>	<b>139,508</b>	-	18,384	267	-	-	(1,321)	<b>17,330</b>	-	<b>(141,958)</b>	<b>14,880</b>
Profit for the period	-	-	-	-	-	-	-	-	-	<b>603</b>	<b>603</b>
<u>Other comprehensive loss</u>											
Disposal of subsidiaries	-	-	-	(1,544)	-	-	-	(1,544)	-	-	(1,544)
Exchange differences arising from translation of foreign operations	-	-	-	73	-	-	-	73	-	-	73
Total comprehensive loss for the period	-	-	-	(1,471)	-	-	-	<b>(1,471)</b>	-	<b>603</b>	<b>(868)</b>
<b>Bal at 30/06/2018</b>	<b>139,508</b>	-	18,384	(1,204)	-	-	(1,321)	<b>15,859</b>	-	<b>(141,355)</b>	<b>14,012</b>
<b>COMPANY</b>											
<b>Bal at 01/04/2018</b>	<b>139,508</b>	-	18,384	-	-	-	(1,321)	<b>17,063</b>		<b>(128,457)</b>	<b>28,114</b>
Total comprehensive loss for the period	-	-	-	-	-	-	-	-		<b>(1,859)</b>	<b>(1,859)</b>
<b>Bal at 30/06/2018</b>	<b>139,508</b>	-	18,384	-	-	-	(1,321)	<b>17,063</b>		<b>(130,316)</b>	<b>26,255</b>
<b>GROUP</b>											
<b>Bal at 01/04/2017, restated</b>	<b>124,508</b>	944	18,384	593	-	232	-	<b>20,153</b>	<b>5,277</b>	<b>(149,255)</b>	<b>683</b>
Profit for the period	-	-	-	-	-	-	-	-	-	2,591	<b>2,591</b>
<u>Other comprehensive loss</u>											
Disposal of subsidiaries	-	(944)	-	5	-	(82)	-	(1,021)	(5,277)	5,505	(793)
Exchange differences arising from translation of foreign operations	-	-	-	26	-	-	-	26	-	-	26
Total comprehensive loss for the period	-	-	-	31	-	(82)	-	<b>(995)</b>	<b>(5,277)</b>	<b>8,096</b>	<b>1,824</b>
<b>Bal at 30/06/2017</b>	<b>124,508</b>	944	18,384	624	-	150	-	<b>19,158</b>	-	<b>(141,159)</b>	<b>2,507</b>
<b>COMPANY</b>											
<b>Bal at 01/04/2017, restated</b>	<b>124,508</b>	-	18,384	-	-	-	-	<b>18,384</b>	-	<b>(135,542)</b>	<b>7,350</b>
Total comprehensive loss for the period	-	-	-	-	-	-	-	-		3,773	<b>3,773</b>
<b>Bal at 30/06/2017</b>	<b>124,508</b>	-	18,384	-	-	-	-	<b>18,384</b>		<b>(131,769)</b>	<b>11,123</b>

**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 report on and as at end of the corresponding period of the immediately preceding financial period.**

As at 30 June 2017, the total number of ordinary shares issued by the Company was 318,784,382. There was no change from 31 March 2017.

On 5 July 2017, there was issuance of 333,333,333 Placement Shares and 67,607,078 of Adjustment Shares to Yiguo General Food Pte. Ltd.("YG").

The total number of ordinary shares as at 31 March 2018 was 719,724,793.

There was no change to the total number of ordinary shares during the period ended 30 June 2018.

**Note 1 Available-for-sale equity investments**

Available-for-sale equity investments of S\$752,000 pertains to Investment in Harvest Seasons Pte Ltd which has been fully impaired as at 31 March 2018

**Note 2 Financial liabilities arising from contingent issuance of shares**

Financial liabilities arising from contingent issuance of shares pertains to contingent issuance of top-up adjustments shares as a result of the occurrence of the certain loss events pursuant to the Placement Agreement and supplement to Placement Agreement entered into by the Company and Shanghai YiGuo E-Commerce Co., Ltd on 31 December 2016 and 13 May 2017 respectively.

**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 have not been audited nor reviewed by the Company's auditor.

**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.**

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for current financial reporting period are consistent with those disclosed in the audited financial statements for the year ended 31 March 2018.

**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.**

The Group has adopted the new or revised Financial Reporting Standards ("FRS") which are relevant to the Group with effect from 1 April 2018. Other than the adoption of new standards that are effective in 1 April 2018, the Group has adopted the new financial reporting framework, Singapore Financial Reporting Standards ( International) ("SFRS(I)") on 1 April 2018. The adoption of the new standards and SFRS(I) have no significant impact on the Group's financial statements.



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

	Group		Group	
	First Quarter Ended		First Quarter Ended	
	(Continuing operation)		(Including discontinued operation)	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Basic EPS</b>				
(Loss)/profit attributable to shareholders	(841)	Restated (475)	603	Restated 2,591
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	719,725	318,784	719,725	318,784
Loss per ordinary share, in cents :				
- basic	(0.1169)	(0.1490)	0.0838	0.8128
<b>Diluted EPS</b>				
(Loss)/profit attributable to shareholders	(841)	(475)	603	2,591
Weighted average number of ordinary shares applicable to diluted earnings per share ('000)	719,725 <sup>^</sup>	318,784	723,900 <sup>"</sup>	318,784
Loss per ordinary share, in cents :				
- fully diluted	(0.1169)	(0.1490)	0.0833	0.8128

<sup>^</sup> For the quarter ended at 30 June 2018, the unlisted 166,666,667 warrants to Yiguo and the contingent shares were not included in the computation of diluted earnings per share because they are antidilutive.

<sup>"</sup> For the quarter ended at 30 June 2018, the unlisted 166,666,667 warrants to Yiguo and the contingent shares were included in the computation of diluted earnings per share. The number of contingent shares is based on the number of shares issuable assuming the occurrence of loss events on 30 June 2018.

**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 period.**

	As at	As at
	30-Jun-18	31-Mar-18
	cents	cents
Group	1.95	2.07
Company	3.65	3.69
No of issued shares ('000)	719,725	719,725

The calculation of net asset value per ordinary share is based on the number of ordinary shares of the Company as at 30 June 2018 and 31 March 2018 respectively.

**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.**

#### **1Q18/19 vs.1Q17/18**

##### **Material fluctuation in profit and loss and cash flow items :**

- 1 The Group revenue increased by 158% to \$15.93 million in 1Q18/19 compared to 1Q17/18 of \$6.17 million. The increase was mainly due to sales to Shanghai YiGuo E-Commence Co. Ltd and its related companies ("Yiguo"). The sales to Yiguo constituted of 41.8% the Group's revenue.
- 2 Gross profit for 1Q18/19 was \$0.37 million (margin 2.3%) compared to \$0.49 million (margin 7.9%) in 1Q17/18. The low margin was mainly due to the sales of some new products with low margin for branding promotion to gain market shares.
- 3 The increase in other income was mainly due to the government grant income of \$0.06 million of which majority is from the Productivity and Innovation Credit Scheme - IRAS.
- 4 The selling & distribution expenses were \$0.47 million in 1Q18/19 compared to \$0.34 million in 1Q17/18. This was mainly due to an increase of operating expenses in the wholly owned subsidiary.
- 5 The administrative expenses were \$0.75 million in 1Q18/19 compared to \$0.61 million in 1Q17/18. The increase was mainly due to increase in staff cost, adjustment of prior year audit fee and increase of ERP system's licensing fee.
- 6 Loss from continuing operations for the period: -  
The Group's loss from continuing operations before tax was \$0.84 million in 1Q18/19 compared to \$0.48 million in 1Q17/18. These were mainly due to lower profit margin earned and the increase in selling & distribution and administrative expenses as stated above.
- 7 Profit from discontinued operations for the period: -  
The Group's profit from discontinued operation was \$1.44 million in 1Q18/19 compared to profit of \$3.07 million in 1Q17/18. This was mainly due to \$1.54 million gain from disposal of subsidiaries in 1Q18/19 compared to \$3.04 million gain recognised from the disposal of subsidiaries in 1Q17/18.
- 8 The Group's total profit after tax for 1Q18/19 was \$0.6 million compared to \$2.59 million in 1Q17/18. This was mainly due to gain of \$1.54 million from disposal from subsidiaries in 1Q18/19 as compared to gain of disposal subsidiaries of \$3 million in 1Q17/18.
- 9 Operating cash flow  
The Group's net cash outflow from operating activities for 1Q18/19 was \$4.45 million compared to \$1.29 million for 1Q17/18, The increase in cash outflow was mainly due to increase in inventories and decrease in trade payables as a result of payment to suppliers in 1Q18/19 compared to 1Q17/18.
- 10 Investing cash flow  
The Group's net cash inflow from investing activities for 1Q18/19 was \$0.014 million compared to \$2.57 million for 1Q17/18, The decrease in cash inflow was due to an one-off nature of the cash inflow of \$2.57 million proceeds from disposal of subsidiaries in 1Q17/18.

#### **1Q18/19 vs.4Q17/18**

##### **Material fluctuation in balance sheet items :**

- 11 (a) Decrease in cash and cash equivalent was mainly due to cash used in operating activities as stated in point 9 above.
- (b) Decrease in other receivables was mainly due to refund from a supplier which was advance payments placed for certain project and offset by the increase in VAT receivables in China.
- (c) Increase in deposits and prepayments was mainly due to the advance payments placed with a supplier to secure procurement.
- (d) Increase in inventories was mainly due to goods in transit to China market at end of quarter.
- (e) Decrease in other reserves was mainly due to disposal of overseas subsidiaries which the foreign currency translation reserve amounting to \$1.54 million being recognised as gain on disposal of subsidiaries.
- (f) Decrease in trade payables was mainly due to payment made to trade creditors.
- (g) Increase in other payables and accruals was mainly due to accrual liabilities for orders being placed and shipped but yet to receive invoices from creditors at end of the quarter.

**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 operating environment remains challenging and competitive. The Group is stepping up its marketing and sales efforts for its range of fresh fruits and processed fruit products in Singapore, China and South East Asia.

**No. 11 Dividend**

***(a) Current Financial Period Reported On***

None.

***(b) Corresponding Period of the Immediately Preceding Financial Period***

None.

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.

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

No dividend has been recommended.

**No. 13 Interested Person Transactions**

The Group has obtained a general mandate from shareholders for Interested Person Transactions on 11 January 2018

The aggregate value of interested person transactions entered into during the reporting period ended 30 June 2018 is as follows : -

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted pursuant to Rule 920)  (In \$ '000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)  (In \$ '000)
Shanghai Yiguo E-Commerce Co. Ltd and its related entities	6,661	6,661

**No.14 Has the issuer procured confirmations undertakings from all its directors and executive officers? (in the format set out in Appendix 7.7) under Rule 720(1)**

Yes.

SUNMOON FOOD COMPANY LIMITED  
Company Registration Number 198304656K

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705 (5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 30 June 2018 to be false or misleading in any material aspect.

On behalf of the Directors

(signed)  
Mr Gary Loh Hock Chuan  
Director

(signed)  
Ms Ng Bie Tjin @Djuniarti Intan  
Director

1 August 2018