SunMoon



SUMMARY FINANCIAL REPORT 2018/19

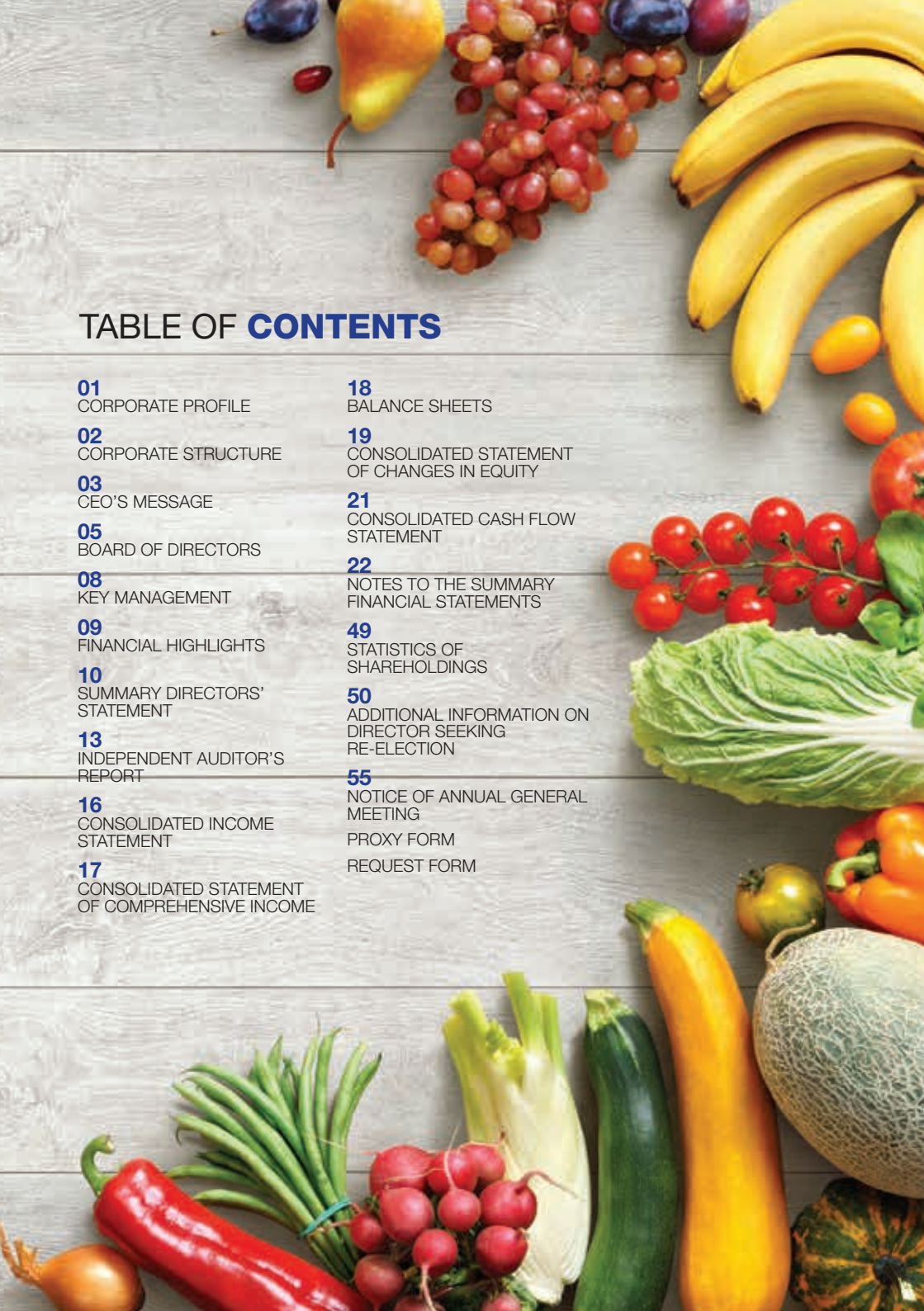


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CORPORATE **PROFILE**

SunMoon Food Company Limited ("SunMoon") is a global distributor and marketeer of branded fresh fruits, vegetables, and consumer products, delivered to the health-conscious consumer in the most convenient way.

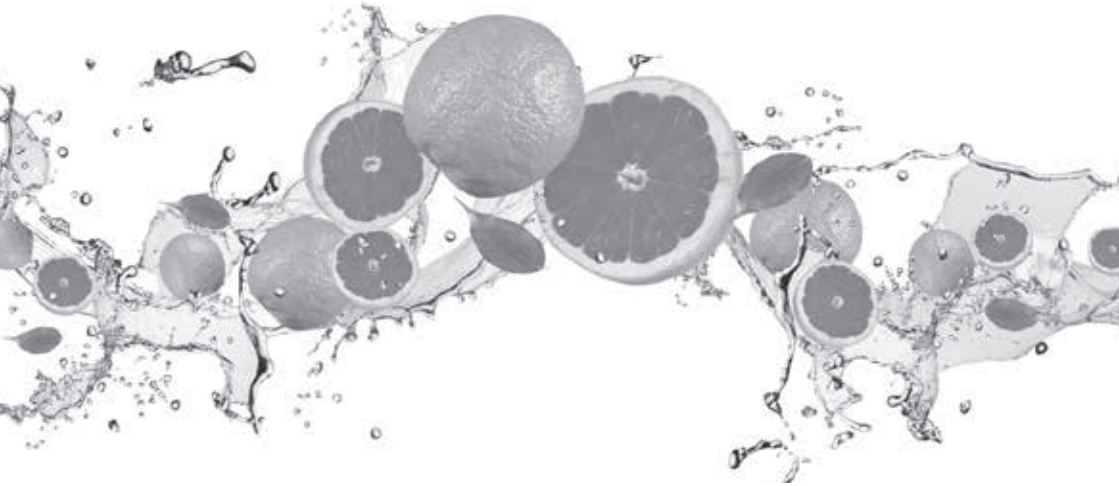
Started in 1983, SunMoon has grown its product offering to over 315 products, including fresh fruits, vegetables, freeze-dried fruit snacks, nuts, fruit cups, fruit sticks, juices, sorbets, and frozen fruits under its own brand.

With an extensive sales network of over 15,000 point of sales globally, SunMoon's offering of quality, premium products are distributed via supermarkets, convenience stores, online and wholesale channels, airlines, food services as well as SunMoon's franchise outlets in Singapore.

Since 2015, the Company has shifted towards an asset-light, consumer-centric and brand-focused business strategy by tapping on its strong brand equity and the Network x Geography x Product business model. Instead of owning farms, SunMoon sources for fruits and vegetables from farmers.

SunMoon's products come with the SunMoon Quality Assurance label, which is backed by internationally recognised accreditations such as HACCP; Good Manufacturing Practice (GMP); AIB (Excellent), ISO 22000, Halal and Kosher Certification.

SunMoon was listed in 1997 on the Mainboard of the Singapore Exchange.



VISION

Be a global market leader in the distribution and marketing of branded fruits, vegetables and consumer products

MISSION

Deliver, from farm to fork, quality and nutritious branded fresh fruits, vegetables and consumer products in the most convenient way

PURPOSE

Empower the health-conscious consumer to eat right

CORPORATE **STRUCTURE**

SunMoon

- 100% SunMoon Distribution & Trading Pte Ltd
  - 100% SunMoon Food (Shanghai) Co., Ltd
    - 100% Shanghai Shanmai Supply Chain Management Co., Ltd
    - 25% Xinjiang SunMoon Co., Ltd
- 100% SunMoon Retail & Franchise Pte Ltd



CEO'S **MESSAGE**



DEAR SHAREHOLDERS,

On behalf of the Board of Directors (the Board), I am pleased to present SunMoon Food Company's (SunMoon) annual report for the 12 months ended 31 March, 2019 (FY2018/19).

In FY2018/19, the Group reported significantly increased revenues of S$73 million, the highest since FY2006, and losses of S$4.3 million including a S$2.1 million loss from fair value change on financial liabilities arising from contingent issuance of shares.

FY2018/19 revenues grew by 62% from S$45 million for the year ended 31 March, 2018, lifted by an increase in sales to China via Shanghai YIGUO E-commerce Co. Ltd (Yiguo).

The Group's financial position stands at positive equity of S$8.4 million and cash of S$8.3 million as of 31 March, 2019.

Looking back to the past development of the Group, and based on future trends of the industry, I support and will continue to build on the strategic framework already put in place by the former CEO, i.e. network x geography x product (N x G x P). Therefore, in the new fiscal year, my management team and I will make and execute relevant action plans under this framework.

There are two key words in my work plan for the SunMoon Group this year: Simplicity, and Focus. SunMoon is not a company that has unlimited resources. We have to constantly strategise how best to leverage our limited resources to increase our market share, and drive the transformation of SunMoon from a traditional supply chain company to a value-adding supply chain company. Therefore, the word "Focus" is extremely important at this moment. We will focus on China market this year, refine the SunMoon brand, and simultaneously continue to develop and expand the distribution network in the Southeast Asian market for Fuji apples.

CEO'S **MESSAGE**

From the operating efficiency and cost perspective, I will simplify and streamline the operations, cut all unnecessary costs, utilise our comparative advantages, and encourage our teams to achieve the highest level of efficiency at the lowest cost.

In the first quarter of the new financial year, I have spent considerable time to observe and analyse SunMoon's team and businesses from all aspects. At the same time, I have reflected about SunMoon's past, present and future. I believe there are many great opportunities in enhancing the business team and strategies for SunMoon. Therefore, I will do my utmost to rebuild the team and upgrade the strategies, helping SunMoon to rejuvenise its brand, and enhance its market influence, and further improve the overall situation of the company.

Our new business model will feature two core strategies:

(1) Focusing on the China market, and enhancing the SunMoon brand value in China.

We will further build the SunMoon brand by setting up an independent and professional team to operate the business in China. We will further leverage on the foundation of the strong SunMoon product branding to build SunMoon into a brand for its distribution channel.

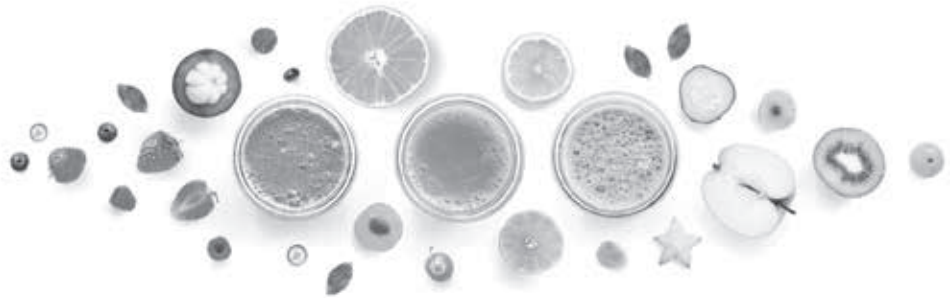
(2) Expanding the markets outside China, and building the distributor network into the SunMoon's brand ecosystem.

We will concentrate our efforts on the Southeast Asian market and establish a better distribution system in the initial stage. We will distribute the products in Southeast Asian market leveraging on Yiguo's commanding fresh food sourcing capability in China and strong bargaining power on prices with suppliers worldwide. At the same time, we aim to strengthen SunMoon both as the product and channel brand through continuous strengthening and expansion of the distribution network.

I believe SunMoon can achieve even more than the above. I hope SunMoon will gradually return to its business roots, with its businesses becoming simpler, more focused, and better executed.

I believe that with the determined efforts of our new team, SunMoon will execute its new business strategies effectively and achieve its goals. I have full confidence in the performance of the Group in the coming year. We look forward to that!

MR ZHANG YE
Chief Executive Officer



BOARD OF **DIRECTORS**



MR JAMES PRIDEAUX
Chairman and
Lead Independent Director

Mr James Prideaux was appointed to the Board as an Independent Director on 4 April 2017 and as Chairman of the Board and Lead Independent Director on 31 August 2017. He is a Chartered Accountant (Institute of Chartered Accountants, England & Wales) and holds a Bachelor of Commerce degree from Birmingham University. He has over 30 years of international executive management experience. He previously worked at MNCs such as KPMG, ICI, Atlantic Richfield Company (ARCO), and Dole Food Company. Currently, he is Chief Executive Officer of JP APAC Solutions Inc. and a Senior Advisor with Pedersen & Partners.



MR GARY LOH HOCK CHUAN
Deputy Chairman,
Non-Independent
and Non-Executive Director

Mr Loh was appointed to the Board as a Non-Independent Director on 15 April 2007, as Deputy Chairman of the Board on 22 May 2007 and as Executive Director and Chairman of the Executive Committee on 1 July 2007 which was dissolved on 5 November 2013. He was appointed as Executive Chairman of the Board on 7 October 2013. He stepped down as Chairman and was appointed as Deputy Chairman of the Board on 31 August 2017. He was re-designated as Non-Executive Director on 1 April 2019.

Mr Loh is the Executive Chairman of First Alverstone Capital Ltd. He was the Director of Sales in UOB Kay Hian Pte Ltd. Mr Loh graduated from the National University of Singapore (NUS) with a Bachelor of Arts (Political Science & Economics) and NUS Business School with a Master in Applied Finance. He also completed Harvard Business School Owner/President Management (OPM) Program.



MR ZHANG YE
Non-independent and
Executive Director

Mr Zhang Ye was appointed as a Non-Independent and Executive Director and as a Member of Nominating Committee on 31 December 2018. He also appointed as Chief Executive Officer of the Company on 31 December 2018. Mr Zhang is a founder of Yiguo, the first fresh food e-commerce retailer in China and now one of the largest in China with annual GMV of RMB10 billion. In year 2014, Mr Zhang assumed the position of Chief Executive Officer in Yiguo, he has led the business with tremendous growth and evolution. Mr Zhang founded his first successful venture, Enmore Group, at the age of 28. Enmore Group is the leading B2B media player in China's chemical related bulk commodity industry, offering specialized industry research and information. He graduated from Shanghai JiaoTong University in 1993 with Bachelor's Degree in International Trade and Computer Science. He gained an executive MBA degree at Cheung Kong Graduate School of Business in 2009.

BOARD OF **DIRECTORS**



MR YU LIANG
Non-Independent and
Executive Director

Mr Yu Liang was appointed to the Board as a Non-Independent and Non-Executive Director on 5 July 2017. He was previously the Group Sourcing Director at YiGuo and as of 1 April 2018 he assume the role of Business Unit Head of SunMoon. He graduated from Nanjing Finance University in 2004, with a Bachelor of Finance. He has over 15 years of experience in Supply Chain and Supplier Relationship management which includes over 10 years of global and domestic sourcing work in YiGuo group and managing relationship with major suppliers as a Supplier Relationship Director. He has expertise managing more than 2000 SKUs for Procurement globally to cater to increasing domestic demands. He has experience in migrating from a sole-SKU to a multiple-SKU based strategy, Business network approach to Procurement, and Sourcing and Supply Chain Management.



MR JIN GUANGLEI
Non-independent and
Non-Executive Director

Mr Jin Guanglei was appointed to the Board as a Non-Independent and Non-Executive Director and as a Member of Nominating Committee, Remuneration Committee and Audit and Risk Committee on 8 August 2018. He is a co-founder of Yiguo, the first fresh food e-commerce retailer in China and joined Yiguo as Co-Chairman in year 2010. Mr Jin co-founded Chemease, the predecessor of Enmore Group in year 1999. Chemease was later became Enmore Group, which is the leading B2B media player in China's chemical related bulk commodity industry, offering specialized industry research and information. He graduated from Shanghai University of Technology in 1990 with Bachelor's Degree with honors.



MS LIU YUANYUAN
Non-Independent and
Non Executive Director

Ms Liu Yuanyuan was appointed to the Board as a Non-Independent and Non-Executive Director on 22 May 2018. Currently, she is the associate director at Executive office in Yiguo Group. Prior to joining Yiguo Group, she had 7 years of experience in commodity trading or related businesses. She is graduated from Shanghai University with a Bachelor's degree in Finance.

BOARD OF **DIRECTORS**



MR YANG GUANG
Independent Director

Mr Yang Guang was appointed to the Board as an Independent Director on 27 October 2017. He currently serves as Vice President and General Counsel at Johnson Controls Asia Pacific (NTSE: JCI) and is responsible for overseeing all legal, compliance, M&A and government affairs matters in the region. He was President of Asia Pacific and Head of Global Off-road Business for Westport Fuel Systems (NASDAQ: WPRT) and also held various general counsel and leadership positions at TRW Automotive (NYSE: TRW) and Siemens (XETRA: SIE). He holds a LL.B. degree from University of International Business and Economics, a Juris Doctor cum laude from St. Thomas University School of Law, a LL.M in Taxation from New York University School of Law, and a MBA degree from Northwestern University Kellogg School of Management and Hong Kong University of Science and Technology.



MS NG BIE TJIN @DJUNIARTI INTAN
Independent Director

Ms Ng Bie Tjin @Djuniarti Intan was appointed to the Board as an Independent Director on 31 August 2017. Ms Ng holds a Masters in Business Administration Degree from the University of Southern California. Ms Ng served as the Executive Director of Finance at Datapulse Technology Ltd from January 1994 until November 30, 2014 and is responsible for the administration and implementation of the Group's corporate finance strategies and policies, corporate governance, internal control policies and procedures and identification and evaluation of new business opportunities. She has been an Independent Director of Aspial Corporation Limited since January 20, 2014.

KEY **MANAGEMENT**

MS WANG HUI ZHEN
Group Financial Controller

Ms Wang was appointed as the Group's Financial Controller on 1 July 2015. She joined the Group on 26 September 2011 as Group Financial Manager and had been acting as "CFO" during the absent of former CFOs. She leads the Group's financial management in the areas of financial strategies, policies, governance, accounting and risk management. She brings with her for more than 15 years' experience in auditing and financial management in Singapore and China. She holds a Bsc. (Honours) degree in applied accounting from the Oxford Brookers University. She is a Fellow Member of the Association of Chartered Certified Accountants (FCCA)and a Member of the Institute of Singapore Chartered Accountants (CA).



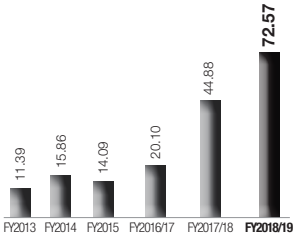
FINANCIAL **HIGHLIGHTS**

	FY2018/19 (12 months)	FY2017/18 (12 months)	FY2016/17 (15 months)	FY2015	FY2014	FY2013
Turnover ($ Millions)*	**72.57**	44.88	20.10	14.09	15.86	11.39
Profit/(Loss) from before Income Tax ($ Millions)*#	**(3.70)**	(3.78)	(7.58)	(4.15)	(2.83)	9.70
Shareholders' funds ($ Millions)	**8.37**	14.88	0.68	11.19	12.67	14.33
Net Tangible Assets per Share (Cents)	**1.17**	2.05	0.21	3.51	3.98	0.04
Net Earning/(Loss) per Share (Cents)*#	**(0.52)**	(0.61)	(2.38)	(1.30)	(0.89)	0.03

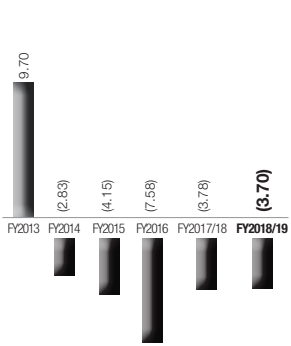
* Amount attributable to continuing operations

\# Amount exclude fair value adjustment on financial liabilities arising from contingent issuance of shares

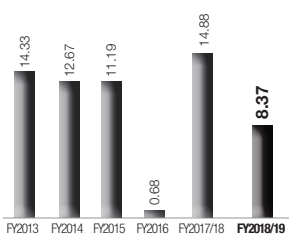
TURNOVER ($ MILLIONS)



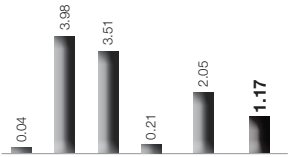
PROFIT/(LOSS) FROM BEFORE INCOME TAX ($ MILLIONS)



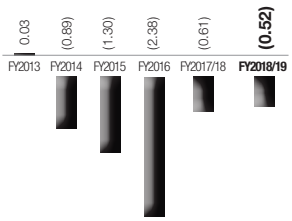
SHAREHOLDERS' FUNDS ($ MILLIONS)



NET TANGIBLE ASSETS PER SHARE (CENTS)



NET EARNING/(LOSS) PER SHARE (CENTS)



SUMMARY **DIRECTORS' STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

IMPORTANT NOTES

The Summary Financial Statements as set out on pages 10 to 48 contains only a summary of the information in the directors' statement and a summary of the full financial statements. It also includes the information provided in compliance with the requirements of Section 203A of the Singapore Companies Act, Chapter 50 and regulations made thereunder, applicable to the Summary Financial Statements. It does not contain sufficient information to allow for a full understanding of the results and the state of affairs of the Group and the Company.

For further information, the full financial statements, the independent auditors' report on those financial statements and the directors' statement in the Annual Report should be consulted. Shareholders may request for a copy of the Annual Report at no cost.

The directors present their statement to the members together with the audited consolidated financial statements of SunMoon Food Company Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 March 2019.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Mr James Prideaux
Mr Gary Loh Hock Chuan
Mr Zhang Ye
Ms Ng Bie Tjin @ Djuniarti Intan
Mr Yang Guang
Mr Jing Guanglei
Ms Liu Yuanyuan
Mr Yu Liang

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of the significant subsidiaries are as follows:

- Investment holding,
- Importer, exporter, wholesaler, retailer and commission agent of fruits,
- To own, operate and manage as principal, franchisor and/or agent of all kinds of fruits,
- Headquarter for China operations, sales and other marketing and distribution, and
- Wholesaling, online retailing, import, export and commission-based distribution of edible agricultural products, office supplies, costumes, articles of daily use, hardware and home appliances; provision of related supporting services; business information consulting; freight forwarding within the territory of China; business services; warehousing services.

ARRANGEMENT TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

SUMMARY **DIRECTORS' STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
The Company				
Mr Gary Loh Hock Chuan	–	–	80,712,772	80,712,772
Ms Ng Bie Tjin @ Djuniarti Intan	120,000	120,000	–	–

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Mr Gary Loh Hock Chuan is deemed to have an interest in the 80,712,772 shares of the Company held by First Alverstone Capital Limited at the beginning and end of the financial year.

There was no change in any of the above-mentioned interests in the Company between the end of financial year and 21 April 2019.

SHARE OPTIONS

In the previous financial year, the Company has granted 166,666,667 of free unlisted warrants to Shanghai Yiguo E-Commerce Co., Ltd. that carry the right to subscribe for one share each in the capital of the Company at the exercise price of S$0.054 per share.

SunMoon Share Option Scheme

The Company has implemented an employee share option scheme known as SunMoon Share Option Scheme (the "Option Scheme"). The Option Scheme was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 30 April 2012. No share options have been granted or awarded pursuant to the Option Scheme.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or of its subsidiaries under options as at the end of the financial year.

SUMMARY **DIRECTORS' STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

AUDIT AND RISK COMMITTEE

The audit and risk committee (ARC) carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50. The functions performed are detailed in the Report on Corporate Governance.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Mr Zhang Ye
Director

Ms Ng Bie Tjin @ Djuniarti Intan
Director

Singapore
25 June 2019

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF SUNMOON FOOD COMPANY LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Report of the Independent auditor on the Summary Financial Statements

Opinion

The summary financial statements of SunMoon Food Company Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and of the Company as at 31 March 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and related notes, are derived from the audited financial statements of the Group for the year ended 31 March 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements and the Directors' Statement of the Company and its subsidiaries for the year ended 31 March 2019 from which they are derived and comply with the requirements of Section 203A of the Companies Act, Chapter 50 (the Act) and the regulations made thereunder applicable to summary of financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Singapore Financial Reporting Standards (International) ("SFRS(I)"). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 25 June 2019. That report also includes:

- The communication of key audit matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report in the audited financial statements, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the audited financial statements.

Allowance for expected credit losses of trade receivables

Trade receivable balances are significant to the Group. The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. The Group adopted SFRS(I) 9 *Financial Instruments* on 1 April 2018, and assessed the allowance for expected credit losses of trade receivables based on the expected credit losses ("ECL") provision matrix.

Under the ECL provision matrix, the Group has determined the probability of default based on historical loss experiences at various aging brackets, with consideration of forward-looking macroeconomic factors. Significant judgement and estimation is involved in using the historical loss experience data and forward-looking macroeconomic factors to derive the probability of default at the respective aging brackets. Accordingly, we have identified the allowance for expected credit losses of trade receivables of the Group as a key audit matter.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF SUNMOON FOOD COMPANY LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Key Audit Matters (Continued)

Allowance for expected credit losses of trade receivables (Continued)

Our audit procedures include, amongst others, obtaining an understanding of the Group's processes and controls relating to the monitoring and collection of trade receivables, requesting confirmations from major customers and obtaining evidence of receipts subsequent to year end for significant trade receivables. We have also evaluated the Group's implementation of SFRS(I) 9 and whether the ECL provision matrix applied by the Group is consistent with the requirements of SFRS(I) 9. This includes testing the appropriateness of the inputs and assumptions used by management in the ECL provision matrix with consideration of the Group's historical loss experience as well as management's assessment of forward-looking macroeconomic factors. Furthermore, we obtained an understanding of the overall process and control environment in relation to the collection of historical loss experience data used in the ECL provision matrix, and tested the arithmetic accuracy of management's ECL provision. Lastly, we assessed the adequacy of the Group's disclosures on the trade receivables in Note 6 and the related risks such as credit risk in Note 12(a).

Impairment assessment of investment in subsidiaries

As at 31 March 2019, the Company has investments in subsidiaries, including quasi capital loans amounting to $15,156,000. For subsidiaries with indicators of impairment, management performed impairment assessment on the investments in subsidiaries and determined their recoverable amounts based on value in use calculations. This area was significant to our audit because the impairment assessment involved significant management judgement which required the management to make various assumptions in the underlying cash flow forecasts. Key assumptions and estimates used in the cash flow projections are pre-tax discount rates, budgeted revenue and gross margins, and terminal growth rates. For these reasons, we have identified this as a key audit matter.

Our audit procedures included, amongst others, evaluating the reasonableness of the inputs and data used by management to derive the recoverable amounts by comparing to cash flow projections approved by board of directors and historical performance of the subsidiaries. We discussed with management to obtain an understanding of the business environment and also considered the viability of future plans based on market trends and conditions. We involved our internal specialists to assist us in evaluating the reasonableness of key assumptions such as discount rates and terminal growth rates. We also performed sensitivity analysis on the computed value in use amount to changes in certain key assumptions.

The disclosures relating to investment in subsidiaries are included in Note 5 to the summary financial statements.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with Section 203A of the Act. In preparing the summary financial statements, Section 203A of the Act requires that the summary financial statements be derived from the annual financial statements and the Directors' Statement for the year ended 31 March 2019 and be in such form and contain such information as may be specified by regulations made thereunder applicable to summary financial statements.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF SUNMOON FOOD COMPANY LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Singapore Standard on Auditing (SSA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
25 June 2019

CONSOLIDATED **INCOME STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	2018 $'000
Continuing operations			
Revenue	4	**72,566**	44,879
Cost of sales		**(71,756)**	(44,103)
Gross profit		**810**	776
Other items of income			
Interest income		**43**	22
Other income		**583**	823
Other items of expense			
Selling and distribution expenses		**(1,589)**	(1,625)
Administrative expenses		**(3,424)**	(3,290)
Other expenses		**(114)**	(486)
Finance costs		**(12)**	(3)
		(3,703)	(3,783)
Fair value change on financial liabilities arising from contingent issuance of shares	9	**(2,077)**	1,321
Loss before tax from continuing operations		**(5,780)**	(2,462)
Income tax expense		**–**	–
Loss from continuing operations for the financial year, net of income tax		**(5,780)**	(2,462)
Discontinued operations			
Profit from discontinued operations for the financial year/period, net of income tax		**1,499**	4,104
(Loss)/profit for the financial year		**(4,281)**	1,642
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Reclassification to profit or loss on disposal of subsidiaries:			
Foreign currency translation reserve		**(1,544)**	(1,211)
Exchange differences arising from translation of foreign operations		**(387)**	87
Other comprehensive loss for the financial year, net of income tax		**(1,931)**	(1,124)
Total comprehensive (loss)/income for the financial year		**(6,212)**	518

The accompanying accounting policies and explanatory notes form an integral part of the summary financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	2018 $'000
(Loss)/profit attributable to owners of the Company			
– Continuing operations		**(5,780)**	(2,462)
– Discontinued operations		**1,499**	4,104
Total (loss)/profit attributable to owners of the Company		**(4,281)**	1,642
Total comprehensive (loss)/income attributable to owners of the Company			
– Continuing operations		**(7,711)**	(3,586)
– Discontinued operations		**1,499**	4,104
Total comprehensive (loss)/income attributable to owners of the Company		**(6,212)**	518
(Loss)/earnings per share for continuing and discontinued operations attributable to equity holders of the Company			
Basic (loss)/earnings per share			
From continuing operations	10	**(0.81) cents**	(0.40) cents
From discontinued operations	10	**0.21 cents**	0.67 cents
Diluted (loss)/earnings per share			
From continuing operations	10	**(0.74) cents**	(0.40) cents
From discontinued operations	10	**0.19 cents**	0.65 cents

The accompanying accounting policies and explanatory notes form an integral part of the summary financial statements.

BALANCE **SHEETS**

AS AT 31 MARCH 2019

	Note	Group 31.3.2019 $'000	Group 31.3.2018 $'000	Group 1.4.2017 $'000	Company 31.3.2019 $'000	Company 31.3.2018 $'000	Company 1.4.2017 $'000
Non-current assets							
Property, plant and equipment		**38**	113	167	**–**	–	–
Intangible assets		**–**	99	–	**–**	99	–
Investment in subsidiaries	5	**–**	–	–	**15,156**	18,450	10,823
Investment in associate		**–**	–	–	**–**	–	–
Investment securities		**–**	–	–	**–**	–	–
Total non-current assets		**38**	212	167	**15,156**	18,549	10,823
Current assets							
Assets of disposal group classified as held for sale		**–**	–	7,993	**–**	–	2,686
Cash and cash equivalents		**8,305**	11,363	557	**36**	9,136	109
Trade and other receivables	6	**25,985**	12,054	4,109	**38**	49	30
Inventories		**5**	4,453	177	**–**	–	–
Total current assets		**34,295**	27,870	12,836	**74**	9,185	2,825
Total assets		**34,333**	28,082	13,003	**15,230**	27,734	13,648
Equity and Liabilities							
Equity attributable to equity owners of the company							
Share capital	7	**139,508**	139,508	124,508	**139,508**	139,508	124,508
Other reserves	8	**15,100**	17,330	20,153	**16,764**	17,063	18,384
Reserves of disposal group classified as held for sale		**–**	–	5,277	**–**	–	–
Accumulated losses		**(146,239)**	(141,958)	(149,255)	**(143,762)**	(129,989)	(135,542)
Total equity		**8,369**	14,880	683	**12,510**	26,582	7,350
Non-current liabilities							
Borrowings		**8**	51	65	**–**	–	–
Financial liabilities arising from contingent issuance of shares	9	**2,077**	–	–	**2,077**	–	–
Total non-current liabilities		**2,085**	51	65	**2,077**	–	–
Current liabilities							
Liabilities associated with disposal group classified as held for sale		**–**	–	3,368	**–**	–	–
Borrowings		**3**	18	15	**–**	–	–
Trade and other payables		**23,876**	13,133	8,872	**643**	1,152	6,298
Total current liabilities		**23,879**	13,151	12,255	**643**	1,152	6,298
Total liabilities		**25,964**	13,202	12,320	**2,720**	1,152	6,298
Total equity and liabilities		**34,333**	28,082	13,003	**15,230**	27,734	13,648

The accompanying accounting policies and explanatory notes form an integral part of the summary financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Group	Share Capital (Note 7) $'000	Capital Reserve (Note 8) $'000	Capital reduction reserve (Note 8) $'000	Treasury shares (Note 8) $'000	General Reserve (Note 8) $'000	Foreign currency translation Reserve (Note 8) $'000	Reserve for contingent issuance of shares (Note 8) $'000	Other reserves total (Note 8) $'000	Reserve of disposal group classified as held for sales $'000	Accumulated losses $'000	Total equity $'000
2019											
Opening balance at 1 April 2018	**139,508**	**–**	**18,384**	**–**	**–**	**267**	**(1,321)**	**17,330**	**–**	**(141,958)**	**14,880**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,281)**	**(4,281)**
Other comprehensive income for the year											
Disposal of subsidiaries (Note 5)	**–**	**–**	**–**	**–**	**–**	**(1,544)**	**–**	**(1,544)**	**–**	**–**	**(1,544)**
Exchange differences arising from translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**(387)**	**–**	**(387)**	**–**	**–**	**(387)**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(1,931)**	**–**	**(1,931)**	**–**	**(4,281)**	**(6,212)**
Contributions by owners											
Purchase of treasury shares	**–**	**–**	**–**	**(299)**	**–**	**–**	**–**	**(299)**	**–**	**–**	**(299)**
Total contributions by owners		**–**	**–**	**(299)**	**–**	**–**	**–**	**(299)**	**–**	**–**	**(299)**
At 31 March 2019	**139,508**	**–**	**18,384**	**(299)**	**–**	**(1,664)**	**(1,321)**	**15,100**	**–**	**(146,239)**	**8,369**

The accompanying accounting policies and explanatory notes form an integral part of the summary financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Group	Share Capital (Note 7) $'000	Capital Reserve (Note 8) $'000	Capital reduction reserve (Note 8) $'000	General Reserve (Note 8) $'000	Foreign currency translation Reserve (Note 8) $'000	Reserve for contingent issuance of shares (Note 8) $'000	Other reserves total (Note 8) $'000	Reserve of disposal group classified as held for sales $'000	Accumulated losses $'000	Total equity $'000
2018										
Opening balance at 1 April 2017	124,508	944	18,384	232	593	–	20,153	5,277	(149,255)	683
Profit for the year	–	–	–	–	–	–	–	–	1,642	1,642
Other comprehensive income for the year										
Disposal of subsidiaries (Note 5)	–	(944)	–	(232)	(413)	–	(1,589)	(5,277)	5,655	(1,211)
Exchange differences arising from translation of foreign operations	–	–	–	–	87	–	87	–	–	87
Total comprehensive (loss)/income for the year	–	(944)	–	(232)	(326)	–	(1,502)	(5,277)	7,297	518
Contributions by owners										
Issuance of placements and adjustment shares	15,000	–	–	–	–	–	–	–	–	15,000
Contingent shares to be issued (Note 9)	–	–	–	–	–	(1,321)	(1,321)	–	–	(1,321)
Total contributions by owners	15,000	–	–	–	–	(1,321)	(1,321)	–	–	13,679
At 31 March 2018	139,508	–	18,384	–	267	(1,321)	17,330	–	(141,958)	14,880

The accompanying accounting policies and explanatory notes form an integral part of the summary financial statements.

CONSOLIDATED **CASH FLOW STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 $'000	2018 $'000
Operating activities			
Loss from continuing operations before tax		**(5,780)**	(2,462)
Profit from discontinued operations before tax		**1,499**	3,783
(Loss)/profit before tax, total		**(4,281)**	1,321
Adjustments for:			
Interest expense		**12**	3
Interest income		**(43)**	(22)
Allowance for inventory obsolescence		**158**	–
Depreciation of property, plant and equipment		**50**	67
Amortisation of intangible assets		**99**	50
Gain on disposal of property, plant and equipment		**(1)**	–
Inventories written off		**140**	169
Foreign exchange		**(244)**	–
Reversal of impairment loss on third parties trade receivables	6	**–**	(554)
Trade and other receivables written off		**156**	33
Trade and other payables written back		**(311)**	–
Allowance for impairment loss on third parties trade receivables	6	**858**	43
Gain on disposal of subsidiaries	5(b)	**(1,544)**	(3,464)
Fair value change on financial liabilities arising from contingent issuance of shares	9	**2,077**	(1,321)
Operating cash flows before working capital changes		**(2,874)**	(3,675)
Working capital changes:			
Inventories		**4,150**	(4,445)
Trade and other receivables		**(14,882)**	(4,800)
Trade and other payables		**10,993**	3,615
Cash used in operations		**(2,613)**	(9,305)
Income tax refund		**–**	321
Net cash used in operating activities		**(2,613)**	(8,984)
Investing activities			
Interest received		**43**	22
Proceeds from disposal of property, plant and equipment		**44**	–
Purchase of property, plant and equipment		**(5)**	(15)
Disposal of subsidiaries, net cash flow	5(b)	**–**	4,897
Net cash generated from investing activities		**82**	4,904
Financing activities			
Interest paid		**(12)**	(3)
Repayment of finance lease		**(70)**	(11)
Purchase of treasury shares		**(299)**	–
Proceeds from issuance of placement shares		**–**	15,000
Net cash (used in)/generated from financing activities		**(381)**	14,986
Net change in cash and cash equivalents		**(2,912)**	10,906
Cash and cash equivalents at beginning of financial year		**11,363**	557
Exchange difference on cash and cash equivalents		**(146)**	(100)
Cash and cash equivalents at end of financial year		**8,305**	11,363

The accompanying accounting policies and explanatory notes form an integral part of the summary financial statements.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

1. CORPORATE INFORMATION

1.1 The Company

SunMoon Food Company Limited (the "Company") is a limited liability company incorporated and domiciled in the Republic of Singapore and is listed on the Mainboard of the Singapore Exchange. Its immediate holding company is Yiguo General Food Pte Ltd, incorporated in the Republic of Singapore and ultimate holding company is Shanghai Yiguo E-Commence Co., Ltd, incorporated in the People's Republic of China.

The registered office of the Company is 1 Scotts Road, #21-07/08/09 Shaw Centre, Singapore 228202 and its principal place of business is at 30 Toh Guan Road, #07-07 Singapore 608840.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are set out in Note 5 to the summary financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

For all periods up to and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards in Singapore (FRS). These financial statements for the year ended 31 March 2019 are the first the Group has prepared in accordance with SFRS(I). Refer to Note 2.2 for information on how the Group adopted SFRS(I).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2 First-time adoption of Singapore Financial Reporting Standards (International) (SFRS(I))

These financial statements for the year ended 31 March 2019 are the first the Group and the Company have prepared in accordance with SFRS(I). Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 31 March 2019, together with the comparative period data for the year ended 31 March 2018, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 April 2017, the Group and the Company's date of transition to SFRS(I).

The principal adjustments made by the Group on adoption of SFRS(I) and the adoption of the new standards that are effective on 1 April 2018 are disclosed below.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 **First-time adoption of Singapore Financial Reporting Standards (International) (SFRS(I))** (Continued)

Exemptions applied on adoption of SFRS(I)

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to either acquisitions of subsidiaries that are considered businesses under SFRS(I), or acquisitions of interests in associates and joint ventures that occurred before 1 April 2017. The carrying amounts of assets and liabilities at the date of transition to SFRS(I) are the same as previously reported under FRS.

- The comparative information does not comply with SFRS(I) 9 *Financial Instruments* or SFRS(I) 7 *Financial Instruments*: *Disclosures* to the extent the disclosures relate to items within the scope of SFRS(I) 9.

New accounting standards effective on 1 April 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 April 2018. Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 9 and SFRS(I) 15 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

SFRS(I) 9 *Financial Instruments*

On 1 April 2018, the Group adopted SFRS(I) 9 *Financial instruments*, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained earnings at the date of initial application, 1 April 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

Classification and measurement

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 **First-time adoption of Singapore Financial Reporting Standards (International) (SFRS(I))** (Continued)

SFRS(I) 9 *Financial Instruments* (Continued)

Classification and measurement (Continued)

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 April 2018, and then applied retrospectively to those financial assets that were not de-recognised before 1 April 2018.

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. Debt instruments that were measured at amortised cost previously are held to collect contractual cash flows, and accordingly measured at amortised cost under SFRS(I) 9. There is no significant impact arising from measurement of these instruments under SFRS(I) 9.

SFRS(I) 9 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

For equity securities, the Group elects to measure its currently available-for-sale unquoted investment at fair value through profit or loss.

Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

The loss allowances on trade receivables arising from the adoption of SFRS(I) 9 did not have any material effect on the financial statements of the Group and the Company.

SFRS(I) 15 *Revenue from Contracts with Customers*

The Group adopted SFRS(I) 15 *Revenue from Contracts with Customers* which is effective for annual periods beginning on or after 1 January 2018.

The Group has applied SFRS(I) 15 retrospectively and has assessed that there was no material impact with the adoption of SFRS(I) 15.

The adoption of SFRS(I) including the application of new accounting standards did not have any material impact on the financial statements of the Group and the Company.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 **Standards issued but not yet effective**

The Group has not adopted the following standards that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
SFRS(I) 16 *Leases*	1 January 2019
SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

Except for SFRS(I) 16, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 is described below:

SFRS(I) 16 *Leases*

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 April 2019.

On the adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(i) its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 April 2019; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 **Standards issued but not yet effective** (Continued)

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has assessed the impact of the new standard and plans to adopt the new standard on the required effective date.

The Group has performed a preliminary impact assessment based on currently available information and has assessed that there was no material impact with the adoption of SFRS(I) 16.

2.4 **Financial instruments**

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value though profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or service to a customer, excluding amount collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 **Financial instruments** (Continued)

(a) ***Financial assets*** (Continued)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The two measurement categories for classification of debt instruments are:

(i) ***Financial assets carried at amortised cost***

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

(ii) ***Fair value through profit or loss (FVPL)***

A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is de-recognised whether the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 **Financial instruments** (Continued)

(b) ***Financial liabilities*** (Continued)

Subsequent measurement

(i) ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(ii) ***Financial liabilities carried at amortised cost***

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gain and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.5 **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 **Impairment of financial assets** (Continued)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments exceed a prescribed number of days past due, as established within the Group's credit risk management practices. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.6 **Revenue**

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtain control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue is recognised is the amount allocated to the satisfied performance obligation.

(a) ***Revenue from sale of goods***

Revenue from sale of goods (i.e. sale of fresh and processed fruits) is recognised at point in time upon the satisfaction of each performance obligations which is usually the delivery of goods to customers. Revenue is not recognised to the extent whether there are significant uncertainties regarding recovery of consideration due, associated costs or the possible return of goods.

(b) ***Interest income***

Interest income is recognised using the effective interest method.

(c) ***Dividend income***

Dividend income from investment is recognised when the shareholders' right to receive payment has been established.

2.7 **Treasury shares**

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised is profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued is recognised directly in equity. Voting right related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Assumptions concerning the future and other key sources of estimation uncertainty and accounting judgements made at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below.

(a) ***Impairment of investments in subsidiaries***

In performing the impairment assessment of the carrying amount of Company's investment in subsidiaries under SFRS (I) 1-36 *Impairment of Assets*, management prepared discounted cash flows to determine the recoverable amounts of the subsidiaries with indicators of impairment using the value-in-use model. The recoverable amounts are determined based on a number of significant operational and predictive assumptions such as forecasted revenue, terminal growth rate, profit margin and discount rate which involves significant estimates.

Impairment losses on investment in subsidiaries for the financial year ended 31 March 2019 was $11,131,000 (2018: Nil). If the discount rate is increased by 1.5%, the impairment amount would have been $1,131,000 higher. If the gross margin is reduced by 1%, the impairment would have been $6,009,000 higher.

The information about impairment of investment in subsidiaries is disclosed in Note 5.

(b) ***Provision for expected credit losses of trade receivables***

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates at various ageing brackets. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 6.

The carrying amount of trade receivables as at 31 March 2019 are $23,242,000 (31 March 2018: $10,102,000, 1 April 2017: $3,433,000).

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. REVENUE

(a) *Revenue from contract with customers*

	Group	
	2019	**2018**
	$'000	**$'000**
Sales of goods		
Fresh and processed fruits	**72,566**	44,879
Timing of transfer of goods and services		
Point in time	**72,566**	44,879

(b) *Contract assets and contract liabilities*

Information about receivables and contract liabilities from contracts with customers is disclosed as follows:

	Group		
	31.3.2019	**31.3.2018**	**1.4.2017**
	$'000	**$'000**	**$'000**
Receivables from contracts with customers (Note 6)	**26,410**	12,370	8,962
Contract liabilities	**–**	34	18

The Group has recognised impairment losses on receivables arising from contracts with customers amounting to $3,168,000 (2018: $2,268,000).

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for sale of fresh and processed fruits. Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities during the financial year are tabled as follows:

	Group	
	2019	**2018**
	$'000	**$'000**
Balance at beginning of financial year	**34**	18
Amount recognised as revenue at the beginning of the year	**–**	(18)
Refund of advances	**(34)**	–
Increase due to cash received, excluding amounts recognised during the year	**–**	34
Balance at end of financial year	**–**	34

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

5. INVESTMENT IN SUBSIDIARIES

	Company		
	31.3.2019	31.3.2018	1.4.2017
	$'000	$'000	$'000
Unquoted equity shares, at cost	**10,200**	10,810	265,213
Allowance for impairment loss	**(9,029)**	(910)	(255,313)
	1,171	9,900	9,900
Amount due from subsidiaries (non-trade)	**19,905**	12,089	4,445
Allowance for impairment loss on receivables	**(5,920)**	(3,539)	(3,522)
	13,985	8,550	923
	15,156	18,450	10,823

Movements in allowance for impairment loss on investment in subsidiaries were as follows:

	Company	
	2019	2018
	$'000	$'000
Balance at beginning of financial year	**910**	255,313
Reversal of allowance for impairment during the year arising from disposal of subsidiary	**(610)**	(254,403)
Additional allowance for impairment during the year	**8,729**	–
Balance at end of financial year	**9,029**	910

The amount due from subsidiaries represents part of net investment and are unsecured and non-interest bearing. Settlement of the amounts due is neither planned nor likely to occur in the foreseeable future and they are repayable only when cash flows of the subsidiaries permit.

Movements in allowance for impairment loss on receivables were as follows:

	Company	
	2019	2018
	$'000	$'000
Balance at beginning of financial year	**3,539**	3,522
Additional allowance for impairment during the year	**2,402**	–
Currency translation differences	**(21)**	17
Balance at end of financial year	**5,920**	3,539

The currency profiles of amount due from subsidiaries as at end of the reporting period are as follows:

		Company	
	2019	31.3.2018	1.4.2017
	$'000	$'000	$'000
Singapore Dollar	**11,272**	5,794	392
United States Dollar	**2,713**	2,756	531
	13,985	8,550	923

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

5. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) ***Composition of the Group***

The particulars of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held 31.3.2019 %	31.3.2018 %	1.4.2017 %
Held by the Company				
Fook Huat Tong Kee Pte Ltd[4] (Singapore)	Dormant	**–**	–	100
United Fruit Company Limited[3] (Hong Kong)	Dormant	**–**	–	100
Weifang Xinan FHTK Fruits Co., Ltd[3] (People's Republic of China)	Dormant	**–**	–	100
UGC 2003, Inc.[5] (USA)	Dormant	**–**	100	1006
Agrifood Investments Pte Ltd[3] (Singapore)	Dormant	**–**	–	100
Fook Yong Pte Ltd[4] (Singapore)	Dormant	**–**	–	100
SunMoon Retail & Franchise Pte Ltd[1] (Singapore)	To own, operate and manage as principal franchisor and/or agent of all kinds of fruits	**100**	100	100
SunMoon Distribution & Trading Pte Ltd[1] (Singapore)	Importer, exporter, wholesaler, retailer and commission agent of fruits	**100**	100	100
United Agro Produce Pte Ltd[4] (Singapore)	Distributor of dehydrated garlic and onion	**–**	–	100
Taian FHTK Foodstuffs Co., Ltd[4] (People's Republic of China)	Importer, exporter, wholesaler, retailer and commission agent of fruits	**–**	–	100

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

5. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) ***Composition of the Group*** (Continued)

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held 31.3.2019 %	31.3.2018 %	1.4.2017 %
Held by Fook Huat Tong Kee Pte Ltd				
Fook Huat Tong Kee (Xiamen) Foodstuffs Co., Ltd[4] (People's Republic of China)	Dormant	**–**	–	100
Shanghai Fook Huat Tong Kee Cold Storage Co., Ltd[4] (People's Republic of China)	Dormant	**–**	–	100
Held by Fook Yong Pte Ltd				
Taian Fook Huat Tong Kee Foodstuffs Co., Ltd[4] (People's Republic of China)	Dormant	**–**	–	100
Held by SunMoon Distribution & Trading Pte Ltd				
SunMoon Food (Shanghai) Co., Ltd (People's Republic of China)	Headquarter for China operations, sales and other marketing and distribution	**100**	100	100
Held by SunMoon Food (Shanghai) Co., Ltd				
Shanghai Shanmai Supply Chain Management Co., Ltd[2] (People's Republic of China)	Wholesaling, online retailing, import, export and commission-based distribution of edible agricultural products, office supplies, costumes, articles of daily use, hardware and home appliances; provision of related supporting services; business information consulting; freight forwarding within the territory of China; business services; warehousing services.	**100**	100	100
Held by UGC 2003, Inc.				
SunMoon USA, LLC[5] (USA)	Dormant	**–**	100	100

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firm of EY Global in the People's Republic of China, for consolidation purposes.

(3) Struck off during the financial year ended 31 March 2018.

(4) Disposed during the financial year ended 31 March 2018.

(5) Struck off during the financial year ended 31 March 2019.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

5. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) ***Disposal of subsidiaries***

During the financial year ended 31 March 2019, the Company has struck-off the following wholly-owned dormant subsidiary, UGC 2003, Inc. and its wholly-owned subsidiary, SunMoon USA, LLC. All the receivables and payables had been written off/back before the struck-off and no cash was received. A total gain on struck-off of subsidiaries of $1,544,000, resulting from the reclassification of foreign currency translation reserve, is recognised.

In the prior year, the Group had struck-off the following wholly-owned dormant subsidiaries, a) Foo Huat Tong Kee Pte Ltd and its wholly-owned subsidiaries, Fook Huat Tong Kee (Xiamen) Foodstuffs Co., Ltd and Shanghai Fook Huat Tong Kee Cold Storage Co.,Ltd, b) United Fruit Company Limited, c) Weifang Xinan FHTK Fruits Co., Ltd and d) Agrifood Investments Pte Ltd. All the receivables and payables had been written off/back before the struck-off and no cash was received. A total gain on struck-off of subsidiaries of $413,000, resulting from the reclassification of foreign currency translation reserve, was recognised.

In addition, in the prior year, the Company also disposed of its entire interest in Fook Yong Pte Ltd and its wholly owned subsidiary, Taian Fook Huat Tong Kee Foodstuffs Co., Ltd for a consideration of $2, United Agro Produce Pte Ltd and Taian FHTK Foodstuffs Co., Ltd for a consideration of $6,900,000. Gain on disposal resulting thereon was $3,050,000. An overall gain of $3,464,000 was recognised. The net impact of cash inflow on struck-off/disposal amounted to $4,897,000.

The Group		**2019 $'000**	**2018 $'000**
Total contractual consideration from struck- off/disposal		**–**	6,900
Exchange losses arising from purchase consideration being denominated in foreign currency		**–**	(22)
	(A)	**–**	6,878
Net assets of subsidiaries struck-off/disposed	(B)	**–**	4,625
Reclassification of foreign currency translation reserve	(C)	**1,544**	1,211
Gain on struck-off/disposal of subsidiaries	A-B+C	**1,544**	3,464

The Group	**2018 $'000**
The aggregate cash inflows arising from the disposal were:	
Consideration from disposal	6,900
Less: Cash and cash equivalent in subsidiaries disposed of	(139)
Less: Transaction expenses paid on behalf in the prior period	(52)
Less: Repayment of bank loan in the prior period deemed as part of consideration	(1,226)
Less: Advance payment received in the prior financial period	(450)
Less: Exchange losses arising from purchase consideration being denominated in foreign currency	(136)
Net cash inflow on disposal	4,897

(c) ***Impairment of investment in subsidiaries***

During the financial year, the Group carried out a review of the recoverable amount of the net investment in SunMoon Distribution & Trading Pte Ltd and Shanghai Shanmai Supply Chain Management Co., Ltd under fruits segment due to the continuing losses reported by the two subsidiaries as a result of deteriorating market conditions. The review led to the recognition of an impairment loss of $11,131,000 (2018: Nil) in the Company's profit or loss.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

5. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) ***Impairment of investment in subsidiaries*** (Continued)

Investment in subsidiaries are tested for impairment when there are indicators that the carrying amounts may not be recoverable. In particular, management determines the recoverable amounts of the subsidiaries based on value-in-use ("VIU") model, using financial budgets approved and involving a number of significant operational and predictive assumptions, covering a five-year period and projections to terminal year.

The pre-tax discount rates, gross margin and terminal growth rates used in the VIU calculations for the two operating subsidiaries are between 9.5% to 11.5%, 3% to 6% and 2% to 3% respectively.

Management estimates the discount rate using pre-tax rates that reflect current market assessment of the time value of money and risk specific to each subsidiary.

The gross margin and terminal growth rates are based on planned strategies and cost initiatives as well as industry indices.

6. TRADE AND OTHER RECEIVABLES

	Group			Company		
	31.3.2019	**31.3.2018**	**1.4.2017**	**31.3.2019**	**31.3.2018**	**1.4.2017**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Trade receivables – third parties	**6,466**	8,096	8,962	**–**	–	–
Allowance for impairment loss on third parties trade receivables	**(3,168)**	(2,268)	(5,529)	**–**	–	–
Trade receivables – related parties	**19,944**	4,274	–	**–**	–	–
	23,242	10,102	3,433	**–**	–	–
Other receivables	**2,048**	3,364	2,064	**1,975**	1,971	1,961
Allowance for impairment loss on other receivables	**(2,047)**	(2,036)	(2,036)	**(1,975)**	(1,961)	(1,961)
	23,243	11,430	3,461	**–**	10	–
GST/VAT refundable	**422**	320	73	**8**	8	11
Advances to suppliers	**2,219**	34	34	**–**	–	–
Refundable deposits	**35**	50	137	**2**	2	2
Prepayments	**66**	220	404	**28**	29	17
Total trade and other receivables	**25,985**	12,054	4,109	**38**	49	30
Less:						
– GST/VAT refundable	**(422)**	(320)	(73)	**(8)**	(8)	(11)
– Advances to suppliers	**(2,219)**	(34)	(34)	**–**	–	–
– Prepayments	**(66)**	(220)	(404)	**(28)**	(29)	(17)
Total loans and receivables	**23,278**	11,480	3,598	**2**	12	2
Add:						
– Cash and cash equivalents	**8,305**	11,363	557	**36**	9,136	109
Total financial assets carried at amortised cost	**31,583**	22,843	4,155	**38**	9,148	111

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

6. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables are unsecured, non-interest bearing and generally on 15 to 60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Other receivables mainly comprised amounts due from third parties which are unsecured, interest free and repayable on demand.

Trade receivables

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $7,734,000 as at 31 March 2018 and $2,557,000 as at 1 April 2017 that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as disclosed in Note 12 (a).

Trade receivables that are impaired

The Group's trade receivables that are individually impaired at the balance sheet date and the movement of allowance accounts used to record the impairment are as follows:

	Group Individually impaired	
	31.3.2018 **$'000**	**1.4.2017** **$'000**
Trade receivables-nominal amounts	2,268	5,529
Less: Allowance for impairment loss	(2,268)	(5,529)
Balance at end of financial year	–	–

Movements in allowance for impairment loss on third parties trade receivables are as follows:

	Group **31.3.2018** **$'000**
Balance at beginning of financial year	5,529
Allowance for impairment loss made during the financial year	43
Allowance attributable to subsidiaries disposed/struck off/amount utilised during the financial year	(1,711)
Reversal of impairment loss during the financial year	(554)
Reclassification of allowance for impairment loss	(752)
Currency translation differences	(287)
Balance at end of financial year	2,268

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**
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6. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables (Continued)

Expected credit losses

The Group provides for lifetime expected credit losses for trade receivables from customers by reference to past default experience of the debtors and an analysis of days past due, adjusted for forward-looking factors specific to the debtors and the economic environment.

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL is as follows:

	Group Trade receivables 2019 $'000
At 1 April	**2,268**
Allowance for expected credit losses	**858**
Currency translation differences	**42**
At 31 March	**3,168**

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $18,717,000 that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as disclosed in Note 12 (a).

Other receivables

Others receivables (non-trade) that are impaired

Movements in allowance for impairment loss on other receivables are as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Balance at beginning of financial year	**2,036**	2,036	**1,961**	1,961
Currency translation realignment	**11**	–	**14**	–
Balance at end of financial year	**2,047**	2,036	**1,975**	1,961

Trade and other receivables denominated in foreign currencies as at end of the reporting period are as follows:

	Group			Company		
	31.3.2019 $'000	31.3.2018 $'000	1.4.2017 $'000	31.3.2019 $'000	31.3.2018 $'000	1.4.2017 $'000
United States Dollar	**11,678**	3,050	3,196	**–**	–	–
Australian Dollar	**25**	1,422	–	**–**	–	–
	11,703	4,472	3,196	**–**	–	–

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

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7. SHARE CAPITAL

	Group and Company					
	31.3.2019 '000	31.3.2018 '000	1.4.2017 '000	31.3.2019 $'000	31.3.2018 $'000	1.4.2017 $'000
	Number of ordinary shares					
Issued and fully paid:						
Balance at beginning of financial year	**719,724**	318,784	318,784	**139,508**	124,508	124,508
Issue of placement shares	**–**	333,333	–	**–**	15,000	–
Issue of adjustment shares	**–**	67,607	–	**–**	–	–
Balance at end of financial year	**719,724**	719,724	318,784	**139,508**	139,508	124,508

The Company and Shanghai Yiguo E-Commerce Co., Ltd ("Shanghai Yiguo") had entered into a placement agreement ("Placement Agreement") dated 31 December 2016, pursuant to which Shanghai Yiguo had agreed to subscribe for an aggregate of 333,333,333 new ordinary shares in the capital of the Company at $0.045 per share, aggregating gross proceeds of $15 million, and the Company had agreed to constitute 166,666,667 of warrants to Shanghai Yiguo.

On 13 May 2017, the Company and Shanghai Yiguo had entered into an agreement to supplement the Placement Agreement (collectively, the "Agreement").

Under the Agreement, it states that upon the occurrence of certain loss events, the Company shall, at no cost to Shanghai Yiguo, top-up the number of new Shares (each fully paid) to be issued to Shanghai Yiguo ("Adjustment Shares"). The Company and Shanghai Yiguo have agreed that these loss events to which adjustment shares are issuable include, inter alia:

(i) Net Asset value ("NAV") of the Group as at 31 December 2016 (on the basis of the audited accounts of the Group) falls 10% or more below $10 million;

(ii) losses and/or costs from its transactions with Harvest Season Pte. Ltd., Shanghai Chibin International Trading Co. Ltd., East China Marine Equipment Co. Ltd., Zhang Jiang Quan Tony, Ong Yaw Teh Patrick and/or such other businesses or companies as may be owned or controlled by the aforementioned (collectively, "HS Affiliates"), including the writing off of any receivables due from the HS Affiliates and/or the acquisition of equity interest in Harvest Season Pte. Ltd;

(iii) losses and/or costs arising from its transactions with PT Fresh Foods Synergy ("PT Fresh"), an Indonesian customer, including non-recoverability of trade receivables as well as the acquisition of equity interest in PT Fresh; and

(iv) losses and/or costs arising from the Dehydrated Produce Business.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

7. SHARE CAPITAL (CONTINUED)

For event (i), the Company had issued 67,607,078 adjustment shares due to shortfall in the NAV of the Group as at 31 December 2016 on 5 July 2017 upon the issuance of placement shares.

The placement was completed on 5 July 2017 and in accordance with instructions from Shanghai Yiguo, all placement and adjustment shares and warrants were issued to Yiguo General Food Pte Ltd. Consequently, the total number of issued shares in the capital of the Company has increased from 318,784,382 to 719,724,793 as at 31 March 2018.

For events (ii) to (iv), both parties have agreed to finalise the adjustment shares during the current financial year. As at 31 March 2019, the number of top-up shares to be issued at an agreed price of $0.045 amounted to 64,910,578 shares.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

8. OTHER RESERVES

Other reserves comprise the following:

	Group			Company		
	31.03.2019	**31.03.2018**	**1.4.2017**	**31.03.2019**	**31.03.2018**	**1.4.2017**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Capital reserve	**–**	–	944	**–**	–	–
Capital reduction reserve	**18,384**	18,384	18,384	**18,384**	18,384	18,384
General reserve	**–**	–	232	**–**	–	–
Foreign currency translation reserve	**(1,664)**	267	593	**–**	–	–
Reserve for contingent issuance of shares	**(1,321)**	(1,321)	–	**(1,321)**	(1,321)	–
Treasury shares	**(299)**	–	–	**(299)**	–	–
	15,100	17,330	20,153	**16,764**	17,063	18,384

Capital reserves

The capital reserve arose on consolidation of foreign operations since 1997. The capital reserve is a non-distributable reserve and is attributable to a subsidiary disposed off during the financial year ended 31 March 2018.

Capital reduction reserve

A capital reduction reserve application was made and completed on 13 June 2005 to reduce the par value of each ordinary share in the capital of the Company from $0.05 to $0.005. The effect of the capital reduction exercise was that an aggregate amount of $55,393,000 of the issued and paid-up share capital of the Company was cancelled, of which $37,009,000 represented issued and paid-up share capital which had been lost or was unrepresented by available assets as at 31 December 2004 and was applied towards the writing off of the accumulated losses of the Company, and the balance amount of $18,384,000 was credited to a capital reduction reserve.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

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8. OTHER RESERVES (CONTINUED)

General reserve

The general reserve relates to those transferred from accumulated losses since 1997. The general reserve is a non-distributable reserve and is attributable to a subsidiary disposed off during the financial year ended 31 March 2018.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from (i) the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as (ii) the translation of loans to subsidiaries deemed as quasi capital in nature.

Reserve for contingent issuance of shares

This reserve relates to the contingent issuance of top-up adjustment shares to be issued as a result of the occurrence of the loss events pursuant to the Placement Agreement disclosed in Note 7 to the summary financial statements.

Treasury Shares

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company acquired 6,362,798 (2018: Nil) shares in the Company through purchases on the Singapore Exchange during the year. The amount paid to acquire the shares was $299,000 (2018: Nil) and this was presented as a component within shareholders' equity.

9. FINANCIAL LIABILITIES ARISING FROM CONTINGENT ISSUANCE OF SHARES

.

	Group and Company	
	2019	**2018**
	$'000	**$'000**
Fair value on initial recognition	**–**	1,321
Fair value changes during the year	**2,077**	(1,321)
Fair value at the end of the year	**2,077**	–

Financial liabilities are recognized as a result of the contingent issuance of 64,910,578 top-up adjustment shares arising from loss events at the Company's share price of $0.032 as at 31 March 2019, as disclosed in Note 7 to the summary financial statements.

As the top-up shares constitute a contract that will be settled in a variable number of the Company's own equity instruments and is a contingent issuance of shares at a fixed price, they are derivatives measured at fair value through profit or loss.

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10. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing loss from continuing and discontinued operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit/(loss) from continuing and discontinued operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial year ended 31 March:

		Group	
		2019	**2018**
		$'000	**$'000**
(Loss)/profit for the year			
Loss from continuing operation, net of tax, attributable to owners of the Company		**(5,780)**	(2,462)
Profit from discontinued operation, net of tax, attributable to owners of the Company		**1,499**	4,104
		No of shares	
		'000	**'000**
Share data			
Weighted average number of ordinary shares for basic earnings per share computation	(A)	**717,078**	615,370
Effects of dilution:			
Warrants[a]	(B)	**–**	16,667
Contingent shares to be issued (Note 7, Note 9)[b]	(C)	**64,911**	4,175
Weighted average number of ordinary shares for diluted earnings per share computation:			
– Continuing operations	A+C	**781,989**	619,545
– Discontinued operations	A+B+C	**781,989**	636,212

(a) As at 31 March 2019 and 31 March 2018, 166,666,667 unlisted warrants at an exercise price of $0.054, totaling $9 million were issued to Shanghai Yiguo E-Commerce Co., Ltd ("Yiguo") which could be converted into 166,666,667 shares of the Company.

(b) The number of contingent shares included in the diluted earnings per share calculation is based on the number of shares issuable assuming the occurrence of the loss events at the end of the reporting period.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

10. EARNINGS PER SHARE (CONTINUED)

	Group	
	2019	**2018**
Basic (loss)/earnings per shares (cents)		
From continuing operations	**(0.81)**	(0.40)
From discontinued operations	**0.21**	0.67
Diluted (loss)/earnings per shares (cents)		
From continuing operations	**(0.74)**	(0.40)
From discontinued operations	**0.19**	0.65

11. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, in addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions at rates and terms agreed between the parties:

	Group	
	2019 $'000	**2018 $'000**
Related party		
Sales	**45,851**	28,720
Purchases	**(528)**	–
Licence fee income	**–**	24
Licence fee expense	**(14)**	(24)
Advances received	**(1,088)**	(402)
Advances to related party	**543**	–

Compensation of key management personnel

The remuneration of Directors and other key management personnel of the Group during the financial year are as follows:

	Group	
	2019 $'000	**2018 $'000**
Directors' fees	**141**	162
Short-term benefits	**1,097**	1,072
Post-employment benefits	**68**	72
	1,306	1,306

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

11. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

The above includes the following remuneration to the Directors of the Company:

	Group	
	2019	**2018**
	$'000	**$'000**
Directors of the Company		
Directors' fees	**141**	162
Short-term benefits	**570**	570
Post-employment benefits	**12**	12
	723	744

Other key management comprises the Executive Chairman, Financial Controller, General Managers and Head of Information and Technology.

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities expose them to credit risks, foreign currency risks and liquidity risks. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. Management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which the risks are managed and measured. The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

(a) ***Credit risks***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The Group does not expect to incur material credit losses on its financial instruments.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risks*** (Continued)

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 180 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to meet a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivables due. When recoveries are made, these are recognised in profit or loss.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision as at 31 March 2019 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risks*** (Continued)

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix, grouped by geographical region:

People's Republic of China:

31 March 2019	Current	Past due 0 to 30 days	Past due 31 to 60 days	Past due 61 to 90 days	More than 91 days past due	Total
Gross carrying amount	3,522	4,265	8,812	2,435	1,712	20,746
Loss allowance provision	–	–	–	–	(346)	(346)

Other geographical areas:

31 March 2019	Current	Past due 0 to 30 days	Past due 31 to 60 days	Past due 61 to 90 days	More than 91 days past due	Total
Gross carrying amount	1,015	815	314	189	3,331	5,664
Loss allowance provision	(12)	(8)	(10)	(45)	(2,747)	(2,822)

Information regarding loss allowance movement of trade receivables are disclosed in Note 6.

Excessive risk concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group		
	31.3.2019 $'000	31.3.2018 $'000	1.4.2017 $'000
Singapore	**123**	375	461
People's Republic of China	**20,400**	6,833	794
Indonesia	**1,659**	1,954	1,718
Malaysia	**156**	170	25
Thailand	**590**	487	162
Other countries	**314**	283	273
	23,242	10,102	3,433

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risks*** (Continued)

The Group has significant concentration of credit risk. The top 5 customers accounted for approximately 95% (2018: 83%) of the total trade receivables as at 31 March 2019. In particular, the Company has significant concentration of credit risk in terms of trade balance due from its ultimate holding company and its related companies constituting 86% (2018: 42%) of the net trade receivables as at 31 March 2019.

Exposure to credit risks

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for impairment losses, represents the Group's and Company's maximum exposure to credit risks. The Group and Company do not hold any collateral.

The Group's major classes of financial assets are cash and cash equivalents and trade and other receivables. The Company's major class of financial assets is cash and cash equivalents.

Cash and cash equivalents are placed with banks and financial institutions which are regulated.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group and the Company.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 6.

The age analysis of trade receivables as at the end of the reporting period that are past due but not impaired is as follows:

	Group		
	31.3.2019	**31.3.2018**	**1.4.2017**
	$'000	**$'000**	**$'000**
Past due 0 to 30 days	**5,072**	3,058	532
Past due 31 to 60 days	**9,116**	606	225
Past due 61 to 90 days	**2,579**	243	102
Past due over 90 days	**1,950**	3,827	1,698
	18,717	7,734	2,557

For foreign currency risk and liquidity risk, please refer to Note 26 (b) and (c) of the Annual report.

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

13. CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

Management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on their operating cash flows. The Group's and the Company's overall strategy remains unchanged from 2018.

Management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total equity plus debt. Net debt is calculated as bank borrowings plus trade and other payables at amortised cost less cash and bank balances and further adjusted for financial liabilities arising from contingent issuance of shares. Equity consists of total equity attributable to the owners of the Company, adjusted for reserve for contingent issuance of shares.

	Group	
	2019	**2018**
	$'000	**$'000**
Total financial liabilities at amortised cost	**23,485**	12,766
Financial liabilities arising from contingent issuance of shares	**2,077**	–
Less: Cash and cash equivalents	**(8,305)**	(11,363)
Net debt	**17,257**	1,403
Equity attributable to owners of the company	**8,369**	14,880
Adjustment: Reserve for contingent issuance of shares	**1,321**	1,321
Total capital	**26,947**	17,604
Gearing ratio	**64%**	8%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2019 and 2018.

14. AUTHORISATION OF SUMMARY FINANCIAL STATEMENTS FOR ISSUE

The summary financial statements for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 25 June 2019.

STATISTICS OF **SHAREHOLDINGS**

AS AT 29 JUNE 2019

Issued and Fully Paid-Up Capital (including Treasury Shares)	:	$139,508,483
Issued and Fully Paid-Up Capital (excluding Treasury Shares)	:	$139,209,431
Number of Issued Shares (excluding Treasury Shares)	:	713,361,995
Number/Percentage of Treasury Shares	:	6,362,798 (0.89%)
Class Of Shares	:	Ordinary shares
Voting Rights (excluding Treasury Shares)	:	One Vote Per Share

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	4,698	36.10	124,493	0.02
100 – 1,000	4,001	30.74	1,907,237	0.27
1,001 – 10,000	3,055	23.47	12,310,709	1.72
10,001 – 1,000,000	1,233	9.47	519,514,759	72.83
1,000,001 & ABOVE	28	0.22	179,504,797	25.16
TOTAL	13,015	100.00	713,361,995	100.00

	TOP TWENTY SHAREHOLDERS	NO. OF SHARES	%
1	YIGUO GENERAL FOOD PTE. LTD.	400,940,411	56.21
2	UOB KAY HIAN PTE LTD	27,513,382	3.86
3	MAYBANK KIM ENG SECURITIES PTE.LTD	26,867,069	3.77
4	HSBC (SINGAPORE) NOMINEES PTE LTD	26,770,300	3.75
5	STF INVESTMENTS LTD	23,548,600	3.30
6	PRIMA PORTFOLIO PTE LTD	11,221,900	1.57
7	DBS NOMINEES PTE LTD	8,549,343	1.20
8	PHILLIP SECURITIES PTE LTD	6,302,151	0.88
9	OCBC SECURITIES PRIVATE LTD	5,126,040	0.72
10	RAFFLES NOMINEES (PTE) LIMITED	4,833,635	0.68
11	OCBC NOMINEES SINGAPORE PTE LTD	3,283,990	0.46
12	AW BOON LEONG (HU WENLONG)	2,751,100	0.39
13	YEW MONG HENG	2,650,000	0.37
14	CHUA KENG LOY	2,580,000	0.36
15	TAN TIAT HUANG	2,500,000	0.35
16	TOH LAI KENG	2,500,000	0.35
17	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,498,787	0.35
18	TAN KOK SIANG GARY	2,000,000	0.28
19	LEE YONG CHOI	1,875,000	0.26
20	CITIBANK NOMINEES SINGAPORE PTE LTD	1,794,050	0.25
		566,105,758	**79.36**

On the basis of the information available to the Company, approximately 32.48% of the equity securities of the Company are held in the hands of the public. This is in compliance with Rule 723 of the Listing Manual of the SGX-ST, which requires at least 10% of a listed issuer's equity securities to be held by the public.

SUBSTANTIAL SHAREHOLDERS

	NO. OF SHARES	
NAME OF SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST	DEEMED INTEREST
FIRST ALVERSTONE CAPITAL LTD	80,712,772	–
GARY LOH HOCK CHUAN	–	80,712,772
SELENA CHENG KOH MIN	–	80,712,772
YIGUO GENERAL FOOD PTE LTD	400,940,411	–

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Information of the Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM pursuant to Rule 720(6) of the Listing Manual of the SGX-ST:

Details	Name of Director			
	Mr James Prideaux	**Mr Zhang Ye**	**Mr Jin Guanglei**	**Yu Liang**
Date of Appointment	4 April 2017	31 December 2018	8 August 2018	5 July 2017
Date of last re-appointment (if applicable)	28 July 2017	Not applicable	Not applicable	28 July 2017
Age	56	47	51	38
Country of principal residence	Philippines	China	China	China
The Board's comments on this re-election/appointment	After reviewing the recommendation of the Nominating Committee and Mr James Prideaux's qualifications and experience, the Board has confirmed his independent and approved that Mr James Prideaux stands for re-election as an Independent Non-Executive Director.	After reviewing the recommendation of the Nominating Committee and Mr Zhang Ye's qualifications and experience, the Board has approved that Mr Zhang Ye stands for re-election as a Non-Independent Executive Director.	After reviewing the recommendation of the Nominating Committee and Mr Jin Guanglei's qualifications and experience, the Board has approved that Mr Jin Guanglei stands for re-election as a Non-Independent Non-Executive Director.	After reviewing the recommendation of the Nominating Committee and Mr Yu Liang's qualifications and experience, the Board has approved that Mr Yu Liang stands for re-election as a Non-Independent Executive Director.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Mr Zhang will be overall responsible for the management and direction of the Group's business.	Non-Executive	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of the Board of Directors and Lead Independent Director	Chief Executive Officer, Member of Nominating Committee and Member of Board of Directors	Member of Remuneration Committee, Member of Nominating Committee, Member of Audit & Risk Committee and Member of Board of Directors	Member of Board of Directors
Familial relationship with any director and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No	No
Conflict of interests (including any competing business)	No	No	No	No
Working experience and occupation(s) during the past 10 years	Chartered Accountant. Regional Client Partner Executive Search President of Dole Asia Limited (year 2002 to 2016)	CEO and Board Chairman of Yiguo Group Board Chairman of Enmore Group	Co-chairman at Yiguo Group	Shanghai Yiguo E-Commence Co., Ltd as Group Sourcing Director.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Details	Name of Director			
	Mr James Prideaux	Mr Zhang Ye	Mr Jin Guanglei	Yu Liang
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) Or Appendix 7H (Catalist Rule 704(6))	Yes	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries?	No	No	No	No
Other Directorship Past (for the last 5 years)	Numerous subsidiaries of Dole Food Company	Yiguo General Food Pte Ltd Enmore Group Pte Ltd Shanghai Yiguo E-Commerce Co., Ltd Shanghai MUS Computer Technology Co., Ltd Shanghai Enmore Technology Holdings Co., Ltd	Shanghai Yiguo E-commerce Co., Ltd	None
Other Directorship Present	JP APAC Solutions Inc. JP APAC Solutions Pte. Ltd.	Yiguo General Food Pte Ltd Enmore Group Pte Ltd Shanghai Yiguo E-Commerce Co., Ltd Shanghai MUS Computer Technology Co., Ltd Shanghai Enmore Technology Holdings Co., Ltd	Shanghai Yiguo E-commerce Co., Ltd	None

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Information required	Name of Director			
	Mr James Prideaux	Mr Zhang Ye	Mr Jin Guanglei	Yu Liang
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Information required	Name of Director			
	Mr James Prideaux	Mr Zhang Ye	Mr Jin Guanglei	Yu Liang
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his acknowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Information required	Name of Director			
	Mr James Prideaux	Mr Zhang Ye	Mr Jin Guanglei	Yu Liang
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No
Any prior experience as a director of a listed company?	Yes	No	No	Yes
If Yes, Please provide full details	Director of Company for 2 years	Not applicable	Not applicable	Director of Company for 2 years
If No, Please provide the details of any training undertaken in the roles and responsibilities of a director of a listed company	Not applicable	The Company will arrange Mr Zhang Ye to attend the relevant training to familiarize himself with the roles and responsibilities of a director.	The Company will arrange Mr Jin Guanglei to attend the relevant training to familiarize himself with the roles and responsibilities of a director.	Not applicable

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of SUNMOON FOOD COMPANY LIMITED will be held at Civil Service Club @ Bukit Batok, Seminar Rooms 1 and 2, Block A, Level 3, 91 Bukit Batok West Avenue 2, Singapore 659206 on Tuesday, 30 July 2019 at 2.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2019 together with the Auditor's Report. **Resolution 1**

2. To approve the payment of Directors' Fees of S$141,000.00 for the financial year ended 31 March 2019. **Resolution 2**

3. To re-elect Mr James Prideaux, a Director who is retiring by rotation in accordance with Article 102 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company. *[See Explanatory Note (i)]* **Resolution 3**

4. To re-elect Mr Yu Liang, a Director who is retiring by rotation in accordance with Article 102 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company. *[See Explanatory Note (ii)]* **Resolution 4**

5. To re-elect Mr Jin Guanglei, a Director who is retiring from office in accordance with Article 106 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company. *[See Explanatory Note (iii)]* **Resolution 5**

6. To re-elect Mr Zhang Ye, a Director who is retiring from office in accordance with Article 106 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company. *[See Explanatory Note (iv)]* **Resolution 6**

7. To re-appoint Messrs Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to allot and issue shares**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, authority be given to the Directors of the Company to issue shares ("Shares") whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the Company;

NOTICE OF **ANNUAL GENERAL MEETING**

(b) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities;

(ii) new shares arising from exercising share options or vesting of Share awards outstanding or subsisting at the time this Resolution is passed; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) And that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of such convertible securities.
[See Explanatory Note (v)] **Resolution 8**

9. **Authority to issue shares under the SunMoon Share Option Scheme and/or SunMoon Share Plan**

That approval be and is hereby given to the Directors to grant awards in accordance with the provision of the SunMoon Share Option Scheme and/or SunMoon Share Plan and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the SunMoon Share Option Scheme and/or SunMoon Share Plan, provided that:

(a) the aggregate number of new ordinary shares which may be issued pursuant to the SunMoon Share Option Scheme and SunMoon Share Plan on any date, shall not exceed 15% or such other per centum as may be determined by the committee and permitted under the Listing Manual, of the total number of issued shares of the Company, excluding Treasury Shares, on the day immediately preceding the relevant date of grant; and

(b) such approval shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (vi)] **Resolution 9**

10. **The Proposed Share Buyback Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit, at such prices as may be determined by the Directors of the Company from time to time up to the Maximum Price, whether by way of:–

(i) market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Proposed Share Buyback Mandate**");

NOTICE OF **ANNUAL GENERAL MEETING**

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Proposed Share Buyback Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Proposed Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:–

(i) the date on which the next annual general meeting of the Company is held or is required by law to be held;

(ii) the date on which the share buybacks are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Proposed Share Buyback Mandate is varied or revoked;

(d) in this resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant (5) Market Days;

"**date of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from the Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Maximum Limit**" means 10% of the issued shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of passing of this resolution, unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time);

"**Maximum Price**" in relation to the Shares to be purchased or acquired, means the purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid by the Company for the Shares as determined by the Directors, not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price; or

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

in either case, excluding related expenses of the purchase or acquisition; and

"**Relevant Period**" means the period commencing from the date on which this resolution is passed and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier; and

NOTICE OF **ANNUAL GENERAL MEETING**

(e) any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he/she may consider desirable, expedient or necessary to give effect to the transactions contemplated by this resolution.

[See Explanatory Note (vii)] **Resolution 10**

11. **The Proposed Renewal of the Interested Person Transaction Mandate**

That:

(a) approval be and is hereby given for the Company, its subsidiaries and associated companies (if any) which fall within the definition of "*entities at risk*" under Chapter 9 of the Listing Manual or any of them to enter into any transaction falling within the categories of interested person transactions set out in the Addendum, with any party who is of the class or classes of interested persons described in the Addendum To Shareholders ("Addendum"), provided that such transaction is made on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders, and is entered into in accordance with the review procedures for interested person transactions as set out in the Addendum (such Shareholders' general mandate hereinafter called the "**IPT General Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;

(c) the Audit and Risk Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual, which may be prescribed by the SGX-ST from time to time; and

(d) the Directors of the Company and each of them be and are hereby authorised, empowered to complete and do and execute all such things and acts as they or he may consider necessary or appropriate to give effect to these resolutions and the Reinstated IPT Mandate, with such modifications thereto (if any) as they or he may think fit in the interests of the Company.

[See Explanatory Note (viii)] **Resolution 11**

By Order of the Board

Chia Lay Beng
Company Secretary

Date: 4th day of July 2019

NOTICE OF **ANNUAL GENERAL MEETING**

Explanatory Notes

(i) Mr James Prideaux will, upon re-election, remain as the Lead Independent Director, the Chairman of the Board of Directors, a member of the Audit and Risk Committee ("ARC"), a member of Nominating Committee ("NC") and a member of the Remuneration Committee ("RC") and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 05 and 96 – 100 of the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(ii) Mr Yu Liang will, upon re-election, remain as the Executive Director of the Company and will be considered as non-independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 06 and 96 – 100 of the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(iii) Mr Jin Guanglei will, upon re-election, remain as a Non-Executive Director of the Company, a member of the ARC, a member of the NC and a member of the RC and will be considered as non-independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 06 and 96 – 100 of the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(iv) Mr Zhang Ye will, upon re-election, remain as the Executive Director and Chief Executive Officer of the Company and a member of the NC and will be considered as non-independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 05 and 96 – 100 of the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(v) The Ordinary Resolution 8 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue Shares and convertible securities in the Company up to an amount not exceeding fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro rata basis.

For the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the Company's total number of issued shares (excluding treasury shares and subsidiary shareholdings) at the time this proposed Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(vi) The Ordinary Resolution 9 above, if passed, will empower the Directors of the Company from the date of this AGM until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards in accordance with the provision of the SunMoon Share Option Scheme and/or SunMoon Share Plan provided that the aggregate additional shares to be issued pursuant to the the SunMoon Share Option Scheme and/or SunMoon Share Plan do not exceed fifteen (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(vii) The Ordinary Resolution 10 above, if passed, will empower the Directors of the Company from the date of this AGM until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per cent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in the Addendum. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 March 2019 are set out in greater detail in the Addendum.

(viii) The Ordinary Resolution 11 above, if passed, will authorize the Interested Person Transactions as described in the Addendum and recurring in the year and will empower the Directors of the Company to do all necessary acts to give effect to the IPT Mandate. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

NOTICE OF **ANNUAL GENERAL MEETING**

IMPORTANT: PLEASE READ NOTES
NOTES:

1. A Shareholder entitled to attend and vote at the AGM is entitled to appoint any number of proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder.

2. Where a Shareholder appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second/other named proxy/proxies shall be deemed to be an alternate to the first named.

3. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act.

4. The instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a copy thereof), duly executed, must be deposited at the registered office of the Company at 1 Scotts Road, #21-07/08 Shaw Centre Singapore 228208, not less than 48 hours before the time appointed for holding the AGM or any postponement or adjournment thereof.

5. The instrument appointing a proxy or proxies must be signed by the appointor or his/her attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

6. A Depositor's name must appear on the Depository Register maintained by the CDP at least 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the member or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member or a Depositor discloses the personal data of the member or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents), the member or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member or Depositor's breach of warranty.

SUNMOON FOOD COMPANY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 198304656K)

PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT

1. For investors who have used their CPF monies to buy shares in the capital of SunMoon Food Company Limited, this PROXY FORM is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ NRIC/Passport/Company Registration No. _____

of _____

being *a member/members of **SUNMOON FOOD COMPANY LIMITED** (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

And/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

or failing him/her, the Chairman of the Annual General Meeting (the "**AGM**") as my/our proxy/proxies to attend and vote for me/us on my/our behalf, at the AGM of the Company to be held at Civil Service Club @ Bukit Batok, Seminar Rooms 1 and 2, Block A, Level 3, 91 Bukit Batok West Avenue 2, Singapore 659206 on Tuesday, 30 July 2019 at 2.00 p.m. and at any adjournment thereof.

I/we have indicated against the resolution set out in the Notice of AGM and summarised below how I/we wish my/our proxy/proxies to vote. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion.

	Resolutions	For	Against
1	***Ordinary Business*** Adoption of Directors' Statement, Audited Financial Statements for the financial year ended 31 March 2019 and the Auditor's Report		
2	Approval of Directors' Fees of S$141,000.00		
3	Re-election of Mr James Prideaux as Director retiring under Article 102		
4	Re-election of Mr Yu Liang as Director retiring under Article 102		
5	Re-election of Mr Jin Guanglei as Director retiring under Article 106		
6	Re-election of Mr Zhang Ye as Director retiring under Article 106		
7	Re-appointment of Ernst & Young LLP as Auditor		
	Special Business		
8	Authority to allot and issue shares		
9	Authority to issue shares under the SunMoon Share Option Scheme and/or SunMoon Share Plan		
10	Approval on the Proposed Share Buyback Mandate		
11	Approval on the Proposed Renewal of the Interested Person Transaction Mandate		

* Each share shall have one vote only. If you wish to exercise all your votes "For" or "Against", please indicate an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____

Total Number of Shares Held

_____

Signature of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have Shares registered in your name in the register of members of the Company (the "**Register of Members**"), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.

2. A Shareholder entitled to attend and vote at the AGM is entitled to appoint any number of proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder.

3. Where a Shareholder appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second/other named proxy/proxies shall be deemed to be an alternate to the first named.

4. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

5. The instrument appointing a proxy or proxies must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. The instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a copy thereof), duly executed, must be deposited at the registered office of the Company at 1 Scotts Road, #21-07/08 Shaw Centre Singapore 228208, not less than 48 hours before the time appointed for holding the EGM or any postponement or adjournment thereof.

8. The submission of an instrument or form appointing a proxy by a Shareholder does not preclude him/her from attending and voting in person at the AGM if he/she so wishes.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the Shareholder, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register maintained by the CDP at least 72 hours before the time appointed for holding the AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Shareholder and/or Depositor(s) (as defined in Section 130A of the Companies Act, Cap. 50) accept(s) and agree(s) to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 July 2019.

REQUEST FORM

SUNMOON FOOD COMPANY LIMITED
(Incorporated in Singapore)
Company Registration No. 198304656K

4 July 2019

Dear Shareholder,

This is a copy of the Summary Financial Report ("SFR") of SUNMOON FOOD COMPANY LIMITED ("Company") for the financial period ended 31 March 2019. The SFR contains a review of the Company for the financial period ended 31 March 2019. It also contains a summary of the information in the Directors' Report and financial statements of the Company's Annual Report ("AR") 2018/19. We will be sending you a copy of the SFR for so long as you are the Company's shareholder unless you indicate otherwise.

The full financial statements for the financial year period ended 31 March 2019 are set out in a separate report called the AR for 2018/19. This report is available to all registered shareholders of the Company at no cost upon request.

For shareholders receiving this SFR for the first time, if you wish to receive a copy of the AR for 2018/19 or for so long as you are a shareholder of the Company, please complete the request form below by ticking the first or third box respectively and return it to us by 24 July 2019. If we do not receive your request form, it would indicate that you do not wish to receive copies of the AR for 2018/19 and for future financial years.

For the convenience of the shareholders, a copy of the AR for 2018/19 will be posted at SGX website from 04 July 2019. Shareholders may request for physical copies of the AR for 2018/19 as indicated above.

Yours faithfully,

Ms Chia Lay Beng
Secretary

REQUEST FORM

To: SUNMOON FOOD COMPANY LIMITED

N.B. Please tick only one box. Incomplete or improperly completed forms will not be processed.

[ ] Please send me/us the Annual Report in addition to the Summary Financial Report for financial period ended 31 March 2019.

[ ] Please do not send me/us the *Summary Financial Report or the Annual Report/Annual Report for so long as I/we am/are a shareholder(s) of SunMoon Food Company Limited.

[ ] Please send me/us the Annual Report in addition to the Summary Financial Report for financial period ended 31 March 2019 and for so long as I/we am/are a shareholder(s) of SunMoon Food Company Limited.

Name(s) of shareholder(s): _____

*NRIC/Passport Number(s): _____ CDP Securities Account No: _____

Address: _____

_____ Singapore _____

Signature(s): _____ Date: _____

* delete where inapplicable

Fold along this line (2)



Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 08431

SunMoon Food Company Limited
30 Toh Guan Road
#07-07
Singapore 608840

Fold along this line (1)

CORPORATE **INFORMATION**

BOARD OF DIRECTORS
Mr James Prideaux
Chairman/Lead Independent Director
Mr Gary Loh Hock Chuan
Deputy Chairman
Mr Zhang Ye
Ms Ng Bie Tjin @Djuniarti Intan
Mr Yang Guang
Mr Jin Guanglei
Ms Liu Yuanyuan
Mr Yu Liang

AUDIT AND RISK COMMITTEE
Ms Ng Bie Tjin @Djuniarti Intan
Chairperson
Mr James Prideaux
Mr Yang Guang
Mr Jin Guanglei

REMUNERATION COMMITTEE
Mr Yang Guang
Chairman
Mr James Prideaux
Ms Ng Bie Tjin @Djuniarti Intan
Mr Jin Guanglei

NOMINATING COMMITTEE
Mr Yang Guang
Chairman
Mr James Prideaux
Ms Ng Bie Tjin @Djuniarti Intan
Mr Zhang Ye
Mr Jin Guanglei

COMPANY SECRETARY
Ms Chia Lay Beng

REGISTERED OFFICE
1 Scotts Road
#21-07/08/09 Shaw Centre
Singapore 228208
Tel: 6500 7800
Website: www.sunmoonfood.com

COMPANY REGISTRATION NO.
198304656K

SHARE REGISTRAR
B.A.C.S. Private Limited
8 Robinson Road #03-00
ASO Building
Singapore 048544

EXTERNAL AUDITOR
Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: Ms Tan Peck Yen
(Appointed since financial year ended
31 March 2018)

PRINCIPAL BANKER
DBS Bank Ltd, Singapore
Bank of China, Shanghai, China
Shanghai Pudong Development Bank,
Shanghai, China
Cathay Bank, City of Industry Office, U.S.A.



SUNMOON FOOD COMPANY LIMITED
Company Registration No. 198304656K
Tel: (65) 6779 5688 • Fax: (65) 6777 3960
www.sunmoonfood.com
E-mail: enquiry@sunmoonfood.com

SINGAPORE HEADQUARTERS
SUNMOON FOOD COMPANY LIMITED
30 Toh Guan Road
#07-07 Singapore 608840
Tel: (65) 6779 5688
Fax: (65) 6777 3960

CHINA – SHANGHAI OFFICE
SUNMOON FOOD (SHANGHAI) CO., LTD
Room 618, Building C
Jin Zhong Road
Changning District
China Shanghai 200335
Tel: (86) 21 5118 7610

SHANGHAI SHANMAI SUPPLY CHAIN MANAGEMENT CO., LTD
5 Floor, Room 576 Building 2
No. 115 Futexiyl Road
Shanghai Free Trade Zone
China Shanghai 200120
Tel: (86) 21 5118 7665