




ANNUAL REPORT 2024



SERVING
GOODNESS
TRANSFORMING LIVES



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CORPORATE PROFILE



VISION

Be a Global market leader in the distribution and marketing of branded and high quality assured fresh produce.

MISSION

Delivering quality assured fresh produce to consumers around the world in a timely and convenient manner.



PURPOSE

To provide consumers with quality fresh produce to achieve a healthy lifestyle.



SunMoon Food Company Limited ("SunMoon") is a global distributor and marketer of branded fresh produce, aquatics, animal proteins and other food related products, delivered to the health-conscious consumer in the most convenient way.

Started in 1983, SunMoon has grown and expanded its product offerings which includes fresh fruits, vegetables under its own brand.

In addition to SunMoon's traditional offerings of fruits and vegetables related products, SunMoon has been working to rapidly expand its digital sales network and enable the Group to establish and secure the SunMoon brand within the mindshare of the new sophisticated consumer when it comes to health, freshness and natural goodness. In order to do so, SunMoon has been working to provide a wider range of product offerings from farm to fork, including but not limited to seafood, meat, fruits, vegetables, beverages (both alcoholic and non-alcoholic), aqua-food and agri-food related products and other related products and services.

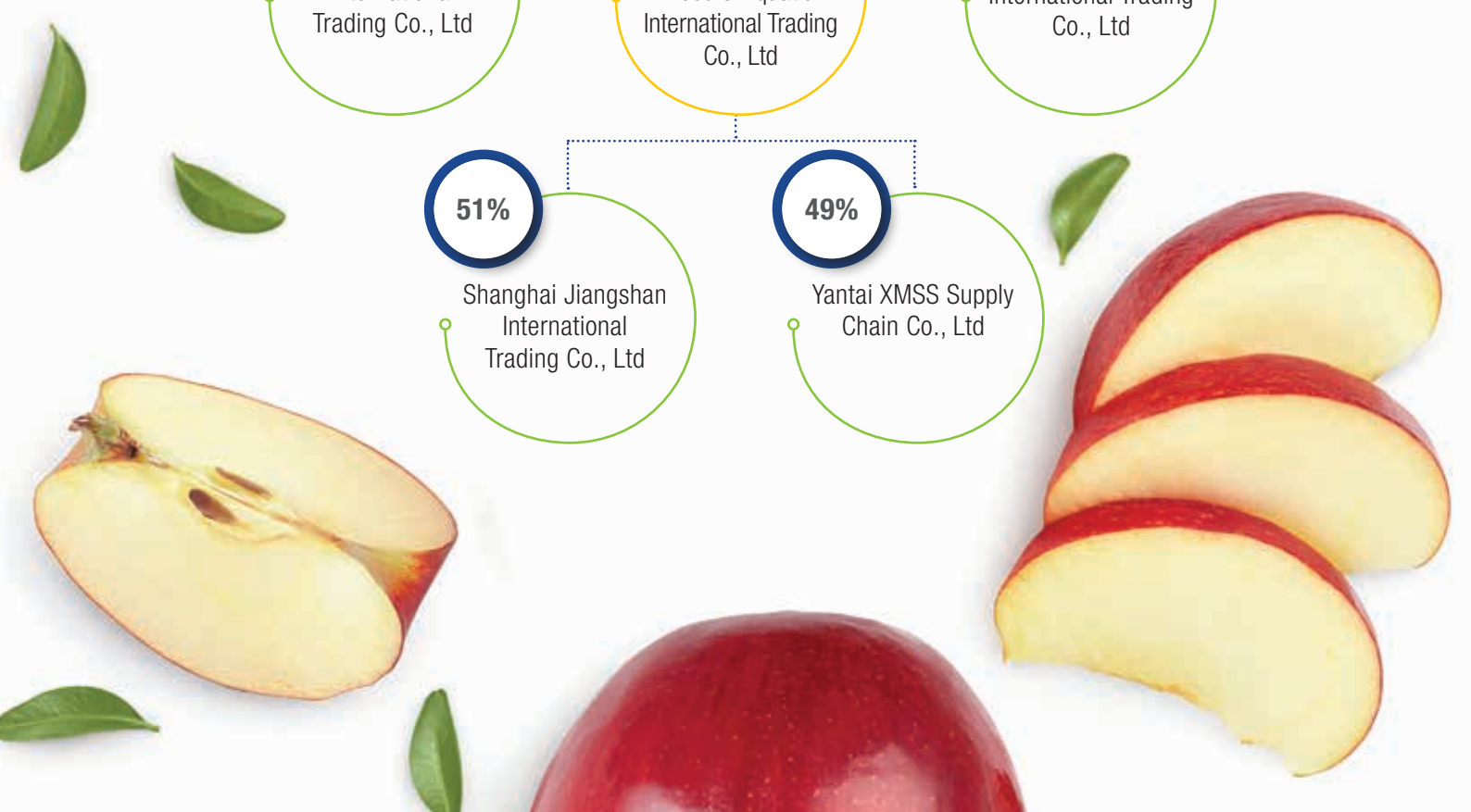
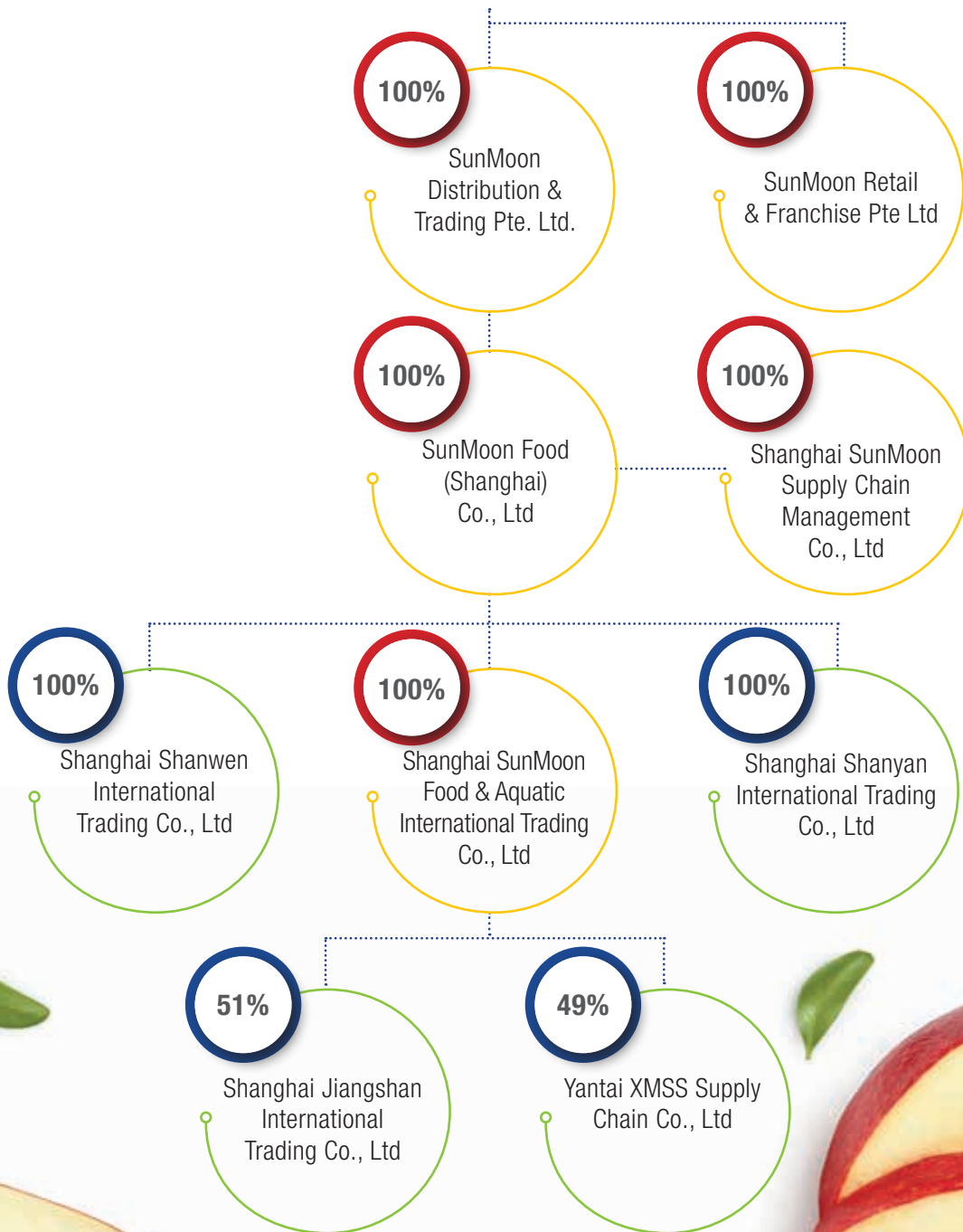
With an extensive sales network globally, SunMoon's offering of quality, premium products are distributed via supermarkets, convenience stores, online and wholesale channels, food services as well as SunMoon's franchise outlets in Singapore.

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 fresh produces from farmers and packing houses.

SunMoon's products come with the SunMoon Quality Assurance standards, which is backed by internationally recognised accreditations.

SunMoon was listed in 1997 on the Mainboard of the Singapore Stock Exchange and has since grown and expanded its product offerings to meet the discerning consumers of today.

CORPORATE STRUCTURE



CEO STATEMENT



MR ZHANG YE
CHIEF EXECUTIVE OFFICER

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the annual report of SunMoon Food Company Limited for the financial year ended 31 March 2024 ("FY2023/24").

Looking back at FY2023/24, with the joint efforts of the Board of Directors and the management team, the Group has (i) raised an equity financing round, (ii) improved gross margin by approximately 50% compared with financial year ended 31 March 2023 with the Group shifting its focus to sales of products with higher gross margins. These efforts lay the ground for growth in the coming financial year.

China's economy is still in the process of recovering from the wave-like development after three years of pandemic and restorative growth in 2023. With China's GDP picking up in the first quarter of 2024, all economic indicators are trending in the right direction, but the macroeconomic environment is still facing uncertainty influenced by many complex and severe external factors.

At this stage, the foundation of China's stable and improving economy is not yet consolidated, and the economic operation is still facing a lot of risks and challenges. Therefore, we have chosen to proactively reduce the import business of bringing new products into China market at this stage, and instead focus on the core categories and core customers in the Southeast Asian markets, with the aim of reducing the operational risks and enhancing the profitability performance. In order to further diversify our operational risks and increase our competitive differentiation, we have set up additional professional business teams during the financial year to further expand the export business of Chinese domestic fruits into the Southeast Asia markets, and established and expanded our existing supplier network and sales channels to increase our market share, sales channels, and brand awareness in the Southeast Asian region.

In the new financial year, the Company will continue to leverage on the strengths of our dual headquarter operations in Singapore and Shanghai, and focus on cross-border trading business among different regions by leveraging on our comprehensive operational capabilities in branding, sales

CEO STATEMENT

channels, supply chain, and logistics accumulated over a long period of time in China and Southeast Asia markets, to enhance sales and profitability of our main business.

We recognize innovation and openness as important drivers of social progress and industry development. We intend to shift our paradigm from a traditional trading mindset and transform ourselves from a more supply chain operation framework to a framework that focuses on value creation for our core customers, a “value chain approach”.

To barge into this direction, based on the existing fresh products trading services, the Company hopes to expand into wider business territory in vertical industries and carry out more synergistic businesses, including but not limited to cold chain warehousing and logistics services related to fresh food, so as to further increase the value-added of the business and enhance the business barriers, and provide more comprehensive and professional supply chain services to our customers.

The Company is always mindful of our mission: To provide consumers with quality products with tastiness, convenience and reassurance. With this in mind, food safety is always our top priority. To this end, we have established strict selection criteria, including ESG-compliant screening criteria for origins and suppliers, etc. We are committed to selecting quality products globally, and we are taking practical actions to make life better, society more inclusive and the world more sustainable.

The economic situations in our target markets remain challenging in the new financial year. However, challenges and opportunities exist side by side, and we will focus on our existing business while facing the unknown with an innovative and open mind.

We would like to thank our management and staff for their commitment and dedication towards the Company along the way and for striving tirelessly to help bring new dimension of growth for the Company. We would like to thank our professional team for their valuable advice and patient support. We would like to extend our appreciation to our Board of Directors for their insightful guidance. We would also like to thank our business partners, shareholders for the incessant supports. I will continue our efforts for new progress in the new financial year.

Forge ahead and grow steadily and sustainably.

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 has previously worked at MNCs such as KPMG, ICI, Atlantic Richfield Company (ARCO), and Dole Food Company.



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 was also appointed as Chief Executive Officer of the Company on 31 December 2018.

Mr Zhang is the founder of Yiguo, the first fresh food e-commerce retailer in China. In year 2014, he assumed the position of Chief Executive Officer in Yiguo.

Mr Zhang founded his first successful venture, Enmore Group, which currently is the leading service provider in China's chemicals related bulk commodity industry. He graduated from Shanghai JiaoTong University in 1993 with Bachelor's Degree in International Trade and Computer Science. He received an executive MBA degree at Cheung Kong Graduate School of Business in 2009.



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 Master's Degree in Business Administration from the University of Southern California. Ms Ng served as an Executive Director of Finance at Datapulse Technology Ltd from January 1994 until 30 November 2014 and was 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 had acted as an Independent Director of Aspial Corporation Limited from January 2014 to October 2023. In May 2024, she has been appointed as an Independent Director of Aspial Lifestyle Limited.

BOARD OF DIRECTORS



MR YUEN PEI LUR, PERRY

Independent Director

Mr Perry Yuen is a practising Advocate & Solicitor in Singapore and he is currently a Mergers & Acquisitions Partner at Shook Lin & Bok LLP. Mr Yuen's areas of practice cover namely mergers and acquisitions (both public and private companies, and in Singapore and the region), equity capital markets, advising on securities regulations and corporate governance.

Before joining Shook Lin & Bok LLP, Mr Yuen was a partner at Pinsent Masons LLP from 2014 to 2020, where he headed the transactions services team based in Singapore. Prior to Pinsent Masons LLP, he was a partner at Khattar Wong LLP where he was also concurrently a Registered Professional at KW Capital Pte Ltd acting as the continuing sponsor for 7 companies listed on SGX Catalyst.

Mr Yuen graduated from Brown University with a Bachelor of Science (Applied Mathematics and Economics), and also from Oxford University with a Bachelor of Arts (Jurisprudence) and Master of Arts.



MR CEN JIAN

Non-Independent and Executive Director

Mr Cen Jian was appointed to the Board as a Non-Independent and Executive Director on 21 August 2020. He was previously appointed as the Group's president on 7 August 2019. He oversees the day-to-day operations, implementation of strategic plans made by the Chief Executive Officer and approved by the Board.

He has over 24 years of experience in Supply Chain management on consumer products. He served as the Business Management at Dole (China) from year 2009 to year 2011, Sales Director of Clearwater (China) from year 2011 to year 2016 and General Manager of Hainan Airline Cold Chain Holding from year 2016 to year 2019. He holds a Bachelor's Degree in Food Science from JiangNan University of China (formerly known as Jiang Su Wu Xi Light Industry University).



BOARD OF DIRECTORS

MS LIU YUANYUAN

Non-Independent and Executive Director



Ms Liu YuanYuan was appointed to the Board as a Non-Independent and Executive Director on 22 March 2023. Prior to this appointment, she had served the Company as a Non-Independent and Non-Executive Director from 22 May 2018 to 16 February 2021.

Ms Liu previously worked in Yiguo Group and was responsible for corporate finance and investments. She has more than 15 years experiences and expertise in corporate finance and Mergers & Acquisitions. Ms Liu graduated from Shanghai University with a Bachelor's Degree in Finance and she is a Certified Management Accountant.

MR WANG BO

Non-Independent and Non-Executive Director



Mr Wang Bo was appointed to the Board as a Non-Independent Non-Executive Director on 22 March 2023. Currently, he is Vice President of Certain Capital, a private equity firm in China. Mr Wang is experienced in legal and investment. He obtained a Bachelor's Degree in Laws from China University of Political Science and Law Chinese Bar Qualification.

MR SONG XIAOJUN

Non-Independent and Non-Executive Director



Mr Song XiaoJun was appointed as a Non-Independent and Non-Executive Director and as a Member of Remuneration Committee on 15 May 2023.

Mr Song is experienced in supply chain management and he held a number of management positions in this industry for 10 years. In addition, Mr Song also has the relevant experience in the food services business since year 2020. He is currently the Director of Champion Financial (Hongkong) Limited.

Mr Song holds an EMBA degree and a Bachelor's Degree in Accounting from Shanghai Maritime University.

KEY MANAGEMENT

MS HUANG CHAOPING

Finance Director and Executive Director

Ms Huang ChaoPing was appointed as Finance Director on 1 April 2024 for the Company and its wholly owned subsidiary, SunMoon Distribution Trading Pte. Ltd. ("SMDT"). She was appointed as an Executive Director for SMDT with effect from 21 June 2024. She is a China Certified Public Accountant, and holds a Masters in Business Administration from Tongji University. Ms Huang joined Shanghai Yiguo E-commerce Limited in May 2018 and was the Senior Financial Director of Yiguo Group. Prior to joining Yiguo, Ms Huang worked in multinational companies in various business areas such as manufacturing, share service, and FP&A function.

MS WANG HUI ZHEN

Group Financial Controller

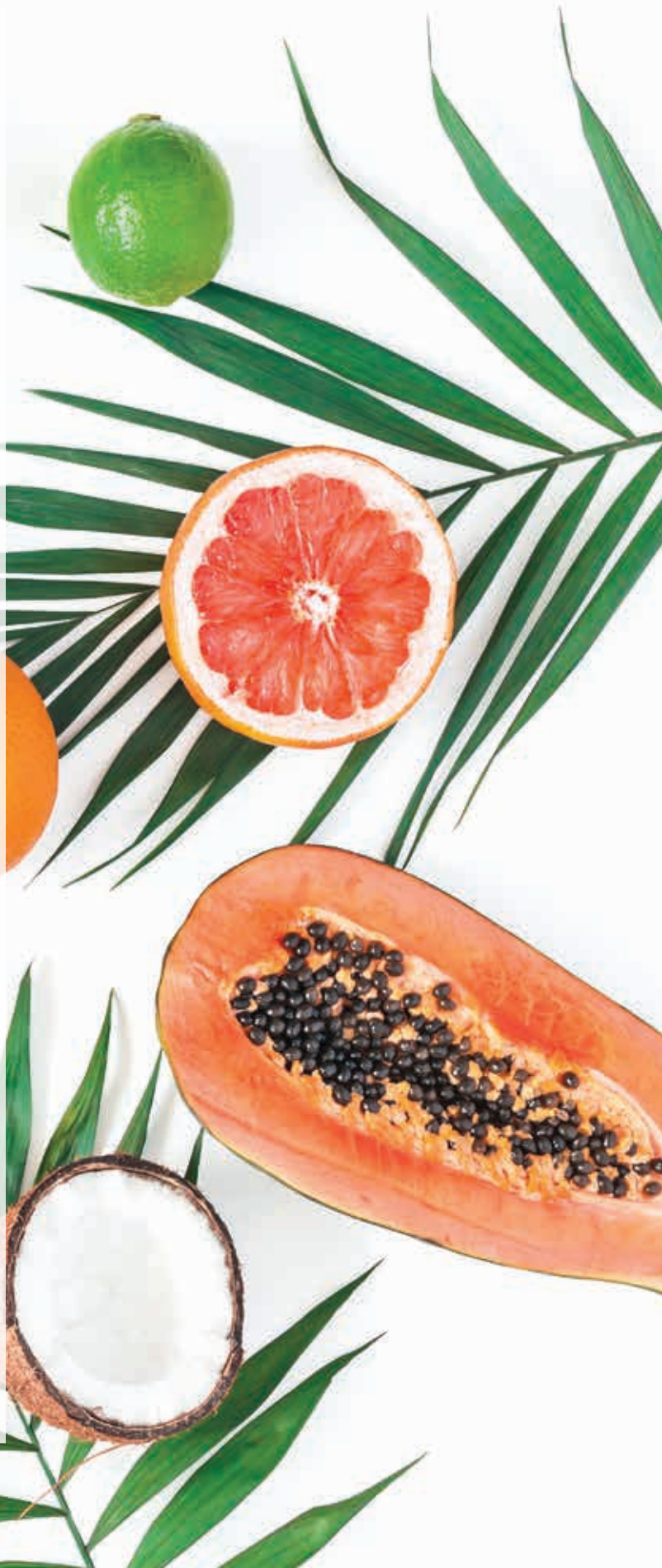
MS Wang Hui Zhen was appointed as the Group's Financial Controller on 1 July 2015. She joined the Group on 26 September 2011 as Group Financial Manager and had been acting as "CFO" during the absence of former CFOs. She leads the Group's financial management in the areas of financial strategies, policies, 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).

MR XIE HUABIN

Country Managing Director and Executive Director

Mr Xie HuaBin was appointed as the country Managing Director for SunMoon Distribution & Trading Pte. Ltd. ("SMDT"), a wholly owned subsidiary of the Company, with effect from 1 April 2024 and was subsequently promoted as Executive Director for SMDT with effect from 21 June 2024. Mr Xie joined Walmart China in 2000, eventually assuming the role of Director. He has worked in Walmart for 15 years and has rich experience in retail operation and internal control management.

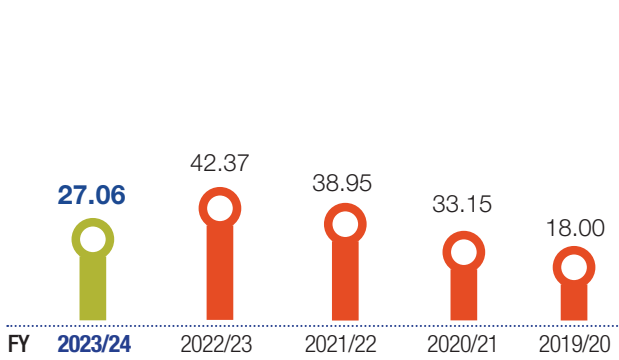
He joined Yiguo Group in 2016 as the Vice President, responsible for the Group's internal control and deeply involved in the daily business operation. He has been responsible for the supply chain business of private label products since 2020, and is familiar with and specializes in the supply chain operation of branded merchandise. Mr Xie holds a master's degree from Asia Metropolitan University.



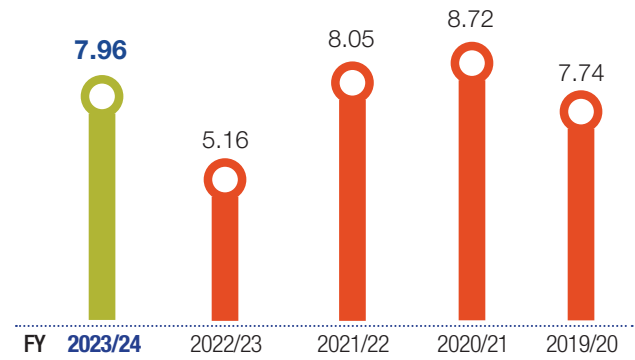
FINANCIAL HIGHLIGHTS

	FY2023/24	FY2022/23	FY2021/22	FY2020/21	FY2019/20
Turnover (\$ Millions)	27.06	42.37	38.95	33.15	18.00
Profit/(Loss) from before Income Tax (\$ Millions)	0.14	(2.29)	(0.93)	0.91	(2.65)
Shareholders' funds (\$ Millions)	7.96	5.16	8.05	8.72	7.74
Net Tangible Assets per Share (Cents)	0.88	0.66	1.03	1.12	0.99
Net Earning/(Loss) per Share (Cents)	0.003	(0.26)	(0.12)	0.12	(0.37)

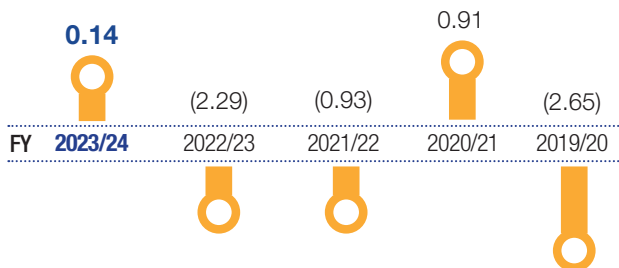
TURNOVER (\$ MILLIONS)



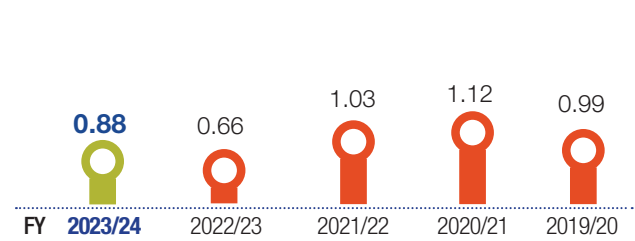
SHAREHOLDERS' FUNDS (\$ MILLIONS)



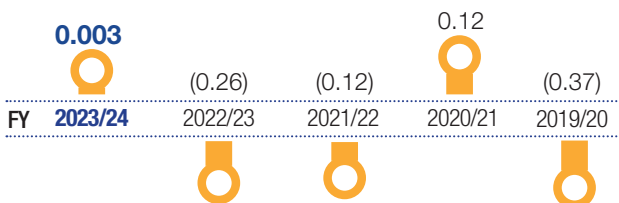
PROFIT/(LOSS) FROM BEFORE INCOME TAX (\$ MILLIONS)



NET TANGIBLE ASSETS PER SHARE (CENTS)



NET EARNING/(LOSS) PER SHARE (CENTS)



SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

SUMMARY STATEMENT OF THE SUSTAINABILITY REPORT

SunMoon Food Company Limited (“**SunMoon**” or the “**Company**”) is pleased to provide its sustainability report (“**Report**”) for the financial year (“**FY**”) ended 31 March 2024 (“**FY2024**” or “**Reporting Period**”). The scope of report is the Company’s operations in Singapore and China. Our report is prepared in accordance with the Singapore Exchange Securities Trading Limited’s (“**SGX-ST**”) Listing Manual and with reference to the Global Reporting Initiatives (“**GRI**”) Standards 2021.

The needs and concerns of our stakeholders are what drive our sustainability practices and measures. The Board of Directors (“**Board**”) oversees the management and monitoring of our key environmental, social and governance (“**ESG**”) factors by performing an internal materiality assessment, to ensure that the identified ESG factors remain relevant in our assessments and strategic planning. Following this assessment, we have identified the 5 areas most material to ensuring the sustainability of the Company – Economic Performance, Procurement Practices, Supplier Environmental Assessment, Employment and Training and Education. In addition, the Company recognises the importance of environmental factors on our operations and thus, will endeavor to continuously implement recommendations of the Task Force on Climate-related Financial Disclosures progressively.

In managing our supply chain and procurement process, SunMoon has implemented an internal policy which guides the Company in selecting suitable suppliers based on factors such as industry standards and product quality. SunMoon is also attentive as to whether there are events related to its suppliers which concern a negative impact on environmental protection and/or bad employment practices.

In managing its employees, SunMoon maintains a pool of employees from diverse age groups and a balanced gender ratio and provides numerous benefits to support the health and work-life balance of its employees. In managing manpower and ensuring the Company is properly staffed, SunMoon has completed the recruitment of core key personnel for project Vietnamese Pangasius, which has been launched successfully. SunMoon has also onboarded the senior management for the export business and professional project managers for the production areas.

In managing its impact on the environment, SunMoon has taken steps to transition to the use of recycled material for its packaging materials and has successfully transitioned to using recycled materials for 90% of packaging material for fresh fruits, which amounts to approximately 48,600 kilograms of recycled materials. SunMoon has increased the number of ports where it imports its goods and the number of regional warehouses in different cities, thus reducing the greenhouse gas emissions from the transportation of goods. SunMoon has also focused on using alternative energy sources for its vehicles and equipment, such as employing 5 trucks which run on new energy, effectively reducing carbon emissions and the cost of using them and using a battery-powered forklift in its packing house.

Moving forward, SunMoon has identified multiple areas and improvements to ensure a sustainable future. In response to the impact of climate change on our economic performance, SunMoon continues its effort to increase our existing product offerings to include products which are less susceptible to climate change. SunMoon also aims to develop and implement environmental assessment processes, and reduce its impact on the environment through measures such as sustainable packaging, re-considering more efficient supply-chain routes and reducing carbon emissions caused by transportation.

Supply Chain (including cold chain processes)

SunMoon mainly engages packers and growers from countries which include but not limited to, China and Southeast Asia.

We have continued to build on the supply and sale of packaged, ready to drink whole young Thai coconuts in Singapore, Indonesia, fresh fruits from China to Southeast Asia and fresh produce, aquatics, animal proteins and other food related products to China.

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

We have continually sought to improve our procurement practices and processes and in this regard, we have implemented a procurement and sales management (“**Internal Policy**”) to improve efficiency and promote sales. The Internal Policy sets out, *inter alia*, the standard operating processes to select suppliers based against industry standards as well as specific verification of product quality. We will also as part of our processes, endeavour to annually review and assess the suitability of our suppliers.

Our People

Our employees are inspired to be the best they can be, where our team is as diverse as the markets we serve. We foster an open environment where creativity thrives and provide our people with the opportunities they need to develop their skills. As at 31 March 2024, the total number of employees in the Company is 12 and the gender breakdown is 5 females, 7 males. All of our Company’s activities are performed by our employees. We do not have any collective bargaining agreements in place.

Ethics and Integrity

At SunMoon, we believe that nothing is more important than the health of our customers and their families. We understand that the food we eat have direct impact on our constitution and overall well-being. Thus, we deliver from farm to fork quality nutritious, fresh produce, aquatics, animal proteins and other food related products in the best and most convenient way. Our promises are:–

- a) To source the best quality fruits and other fresh produces from around the world
- b) To deliver you a product that is safe for consumption
- c) To provide great value in affordability of price
- d) To safeguard your interests at all times

Because of our good values, principles and standards, we have been a trusted brand in the fruit industry since 1977 and customers return for our trusted products from time and time.

At the employee level, we have a code of business ethics that all employees are required to follow.

Stakeholder Engagements

Our stakeholders are identified and prioritised based on our relationship of reliance and impact on each other. Their needs and concerns are what drive our sustainability practices and measures. The following are stakeholders that we have engaged and identified:

1. Customers
2. Suppliers
3. Authorities/Agent
4. Shareholders
5. Employees

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Customers

We engage our customers by carrying out adequate background checks including but not limited to whether they have healthy credit, the customer's capacity, annual turnover and total paid up capital.

We may also have customers' satisfaction surveys and/or feedback and our staff can assist our customers if the need arises. Generally, our customers want more stock and more varieties of fruits and other fresh produce to fulfil end-consumers' demand.

Suppliers

The identification of suppliers is crucial and is an important part of SunMoon's business operations. SunMoon will carry out background checks on our suppliers to ensure that their products meet and comply with our Internal Policy on procurement. There will be a selection criteria and potential suppliers will be selected based on qualification, reputation, price and quality of product. SunMoon also collects information pertaining to the identified supplier containing, *inter alia*, confirmation on whether there are events which negatively impacts environment protection and/or bad employment practices.

As the industry is continuously developing, SunMoon has to remain agile and be sensitive to commercial needs as we develop sustainability and green standards for our suppliers to adhere to. While SunMoon remains committed to identifying suppliers and/or products with the necessary sustainable accreditations, SunMoon recognises the practical challenges given that suppliers remain predominantly concerned with the cost of business, speed of delivery and the quantity and quality of delivered products.

SunMoon is actively sourcing new suppliers that ensures compliance with sustainability and green standards.

Authorities/Agent

We may, as and when required, engage with the authorities/agents to assist them in the compliance of different regulatory, compliance and licensing/certification requirements across different borders. Effective engagement with the authorities/agents can reduce any delays or additional costs caused by licensing, importing or any other issues that may arise.

Shareholders

We understand that our investors are concerned with the economic performance of the Company. As such, SunMoon is committed to disclose relevant and material information to our shareholders, the investment community and the public in a timely, accurate and transparent manner, in accordance with the listing rules of the SGX-ST, and the Singapore Code of Corporate Governance. Our disclosures are made public through SGX-ST's SGXNet and on the Company's corporate website at www.sunmoonfood.com. We regularly communicate through our nominated spokespersons to ensure consistency in messaging, addressing concerns and queries as well as managing the expectations of shareholders and the investment community. We also regularly engage shareholders, and/or potential investors, and the media through the Annual General Meeting and Extraordinary General meeting, conference calls, media interviews and luncheons, Annual Reports, Press Releases and announcements on SGXNet.

Employees

Our employees go through regular feedback and appraisals and have ample opportunity to develop their skills and competencies. They also have the opportunity to take on greater roles and responsibilities. Our employees would like better incentives and performance bonuses as well as better work life balance.

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Climate Change Disclosure

This is SunMoon's third climate-related report.

The Task Force on Climate-Related Financial Disclosures ("TCFD") has defined core elements as a guide on climate disclosure as follows:

1. **Governance:** *The organization's governance around climate-related risks and opportunities*
2. **Strategy:** *The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning*
3. **Risk Management:** *The processes used by the organization to identify, assess, and manage climate-related risks*
4. **Metrics and Targets:** *The metrics and targets used to assess and manage relevant climate-related risks and opportunities*

Governance

Describe the board's oversight of climate-related risks and opportunities.

The Board will oversee the management's identification and management of risks and opportunities relating to climate-related issues that are material to the business.

Describe management's role in assessing and managing climate-related risks and opportunities.

The management team is responsible for overseeing Company's risks across all business units and reports directly to the Chief Executive Officer of the Company. The Board will be updated, from time to time, on the efforts made and implemented by the management team.

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

In the **short-term time horizon**, the immediate **risks** of the Company are to establish lasting sustainable climate practices and ensure that such practices complements the commercial goals and business continuity. The Company believes that in the short-term, it provides Company with the **opportunity** to explore alternatives in its current business operations, for example, seeking alternative packaging materials and re-considering a more efficient and/or effective supply-chain route(s).

In the **medium-term time horizon**, the immediate **risks** of the Company are to ensure and engage with suppliers/vendors who conform and demonstrate commitment to ensuring the practice of sustainable and socio-environment practices. The Company also believes that by focusing on climate-related measures, it allows the Company to adopt and take on **opportunities** such as changing customer's preference to adopt green and sustainable packaging products. The Company is pleased to report that it has undertaken steps to transition to the usage of recycled materials for its packaging materials. At the date of this report, the usage of recycled materials as packaging material for fresh fruits amounts to approximately 90% which represents approximately 1,800 boxes (or approximately 48,600 kilograms of recycled materials).

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

In the **long-term time horizon**, the risks of the Company include ensuring compliance with climate-related laws/regulations/standards and any violations (inadvertent or otherwise) may adversely impact the Company's operations and cause misalignment in its socio-environmental commitments. The longer-term **opportunities** are to change customers' mindset and integrate into the global markets and ultimately attract like-minded customers who demand green and sustainable packaging products.

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Changes in the global climate, such as extreme droughts, water shortages, and warming, will have an adverse direct impact on agriculture and aquaculture, including reduced production capacity and poorer quality of fresh produce, crops and aquatic products. These impacts will adversely affect the Company's upstream sourcing and will also affect market demand, which in turn will adversely affect sales and profits.

As we implement our short-term, medium-term and long-term strategies, we will build an ecosystem that is conducive to our long-term growth, including strong upstream and downstream partners, which will serve as a competitive advantage for the company in the face of extreme climate change and help the Company to be able to grow in a healthy manner.

As an end-to-end food supply chain company, SunMoon relies primarily on ground transportation for the fulfilment of orders. In this regard, SunMoon aims to reduce carbon emission caused by transportation of goods by increasing the number of ports and warehouses in our supply chains.

The Company is looking to review its operations based on data (if possible) based on emissions and carbon footprint (if available) and the associated impact on the Company's financial planning and strategy.

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Extreme climate change, such as the occurrence of extreme cold, greenhouse effect, droughts, and floods, will inevitably have a negative impact on crops and aquatic products. In addition to adhering to the strategy of sustainable development and the establishment of an ecosystem, the company will also focus on increasing the differentiation of its products, including the development of products from different regions and different growing and farming environments.

As an example, most apple trees varieties thrive in regions where the temperature rarely increases above 32°C. If the climate conditions cannot be consistently maintained or further deteriorates, this leads to a reduction in productivity and results in the harvested apple having a lower quality. The Company will therefore have to look for new sources from other different regions having similar or better qualified variety(ies). In order to diversify and improve Company's resilience to climate risk, the Company intends to introduce more categories of produces of different natures adapted to different climate conditions.

As for now, the Company does not have available data and aims to provide the necessary considerations in the next climate report.

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks.

The business and compliance teams regularly share and discuss the impact of climate change on current products and markets; Finding industry benchmarks to use as references to qualitatively and quantitatively analyze specific impacts before and after environmental changes; and analyzing, assessing and predicting the impact of climate change on ourselves through the above.

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Describe the organisation's processes for managing climate-related risks.

By identifying risks and understanding them, countermeasures are developed and implemented according to the different risks. Monitor the implementation of risk response programs and make timely adjustments to the strategy based on implementation and periodically reassess risks and opportunities. Continuously assess and report on progress while identifying opportunities in a crisis.

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

Integrating climate-related risks into supplier selection considerations

Climate-related risks pose different levels of risk to suppliers in different regions and growing and farming environments, so we need to take climate-related risks into account when selecting short- and long-term suppliers to identify reliable partners.

Integrating climate-related risks into financial considerations

Climate-related risks can cause product and market volatility, as well as imbalances between supply and demand in the market, which can ultimately lead to the risk of default by suppliers and customers, so we need to always analyze and monitor the potential impact of climate-related risks from a financial perspective.

The Company identifies, assesses and manages risks to reduce the uncertainty associated with executing our business strategies, and mitigate potential adverse impacts on our business. As mentioned, the Company had implemented an Internal Policy to ensure consistency in the selection criteria and potential suppliers based on qualification, reputation, price and quality of product.

In addition, through stakeholder engagement and materiality assessments, we regularly review and assess the ESG risks that exist or emerge in our supply chain operations.

As mentioned above under 'Governance', the management team is responsible for overseeing Company's risks across all business units and will update the Board on sustainability.

Metrics and Targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

In FY2023/24, the Company has increased the number of ports where we import our goods. 60% of the Company's import business is completed through the Guangzhou/Qingdao port, thereby reducing the volume for transportation of goods from Shanghai to other cities. By increasing the number of regional warehouses in the different cities, 60% of the goods can now be delivered locally, which reduces the greenhouse gas emissions from the transportation of goods between cities.

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

As part of the Company's commitment, the Company's current lease premise at 51 Changi Business Park Central 2, Singapore 486066 has been awarded a BCA Green Mark Gold 2016.

As at the date of this report, the Company employs five (5) trucks which runs on new energy. Putting new energy vehicles into use will effectively reduce carbon emissions and lower the cost of using them. As a clean energy source, it will help improve the profitability of enterprises while protecting the environment. The Company will focus on emissions from its vehicles to assess the immediate climate-related impact. In the Company's packing house, the forklift used are battery-powered.

As mentioned above, the Company does not have available data and aims to provide the necessary considerations in the future climate report. The emissions data will serve as a benchmark for determining next reporting targets.

Reporting Practice

The Company had performed an internal materiality assessment and following discussions between the Company's senior management and in view of the Company's business activities and relationships, the Company had identified and shortlisted the top 5 most relevant and focus topics. Following that internal review (done in accordance with the International Standards for the Professional Practice of Internal Auditing), the top 5 material topics were presented to and approved by the Board.

The topics that SunMoon will be covering are:-

1. GRI 201 Economic Performance;
2. GRI 204 Procurement Practices;
3. GRI 308 Supplier Environmental Assessment;
4. GRI 401 Employment; and
5. GRI 404 Training and Education.

The reporting period is from 1 April 2023 to 31 March 2024. This reporting period is in accordance with the SGX Guidelines Practice Note 7.6 and is the fifth Sustainability Report the Company has made. The reporting cycle will be prepared annually in respect to SGX-ST Listing Rules Practice Note 7.6. The contact point for any questions regarding the report or its contents can be sent to enquiry@sunmoonfood.com. There is no restatement of information for this Sustainability Report.

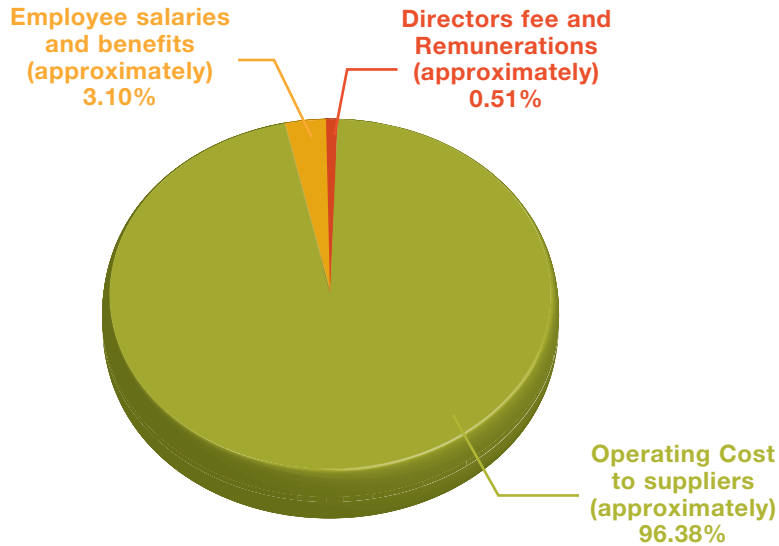
The report is based on the Global Reporting Initiative (GRI) Standards 2021. SunMoon has not engaged any external assurance for this Sustainability Report.

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

GRI 201: ECONOMIC PERFORMANCE

TOTAL ECONOMIC VALUE DISTRIBUTED



Due to the nature of SunMoon's business, climate change and weather will invariably have a direct impact on our products. Bad weather conditions caused by climate change will have a negative impact on product quality and quantity. In view of the Covid-19 pandemic, some of our supplier's production, international shipping lanes and workers were affected which had resulted in the production volume being greatly reduced. We recognize the impact of climate change on our revenues and so endeavour to involve all our partners to participate and engage in sustainability practices.

Given the changing nature and landscape of SunMoon's business, the Company's has been looking to increase our existing product offerings. In particular, the intent is to identify and source for products which are less susceptible to climate changes.

For detailed financial results, please refer to our financial statements as set out in the Annual Report 2024.

GRI 204: PROCUREMENT PRACTICES

SunMoon has implemented improved global procurement strategies, and manages a carefully controlled process based on the Internal Policy. Fruits from certified plantations are selected based on suppliers' qualification, reputation, price and quality of product. SunMoon will, from time to time, assess and explore commercially viable options so as to incorporate more climate and environmental considerations into the Internal Policy.

We do not maintain inventories for fresh purchases as they are perishable goods. As for frozen meat, frozen seafood and milk powder, our inventories are typically maintained at a varying level which is usually an estimation based on prevailing customers' demand. Our business operational model is therefore to, work with our suppliers so as to undertake direct shipping of the fruits to ensure its freshness and to maintain inventories level based on prevailing customers' orders. Our procurement budget is substantially spent on suppliers.

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

All suppliers must be approved according to SunMoon's set of selection criteria to ensure product quality and branding. Complementing quality assurances and our brand, we at SunMoon believe strongly in protecting and caring for our environment. As such, we at SunMoon will make a conscientious effort in developing and, in due course, implement environmental assessment processes. In FY2023/24, SunMoon is committed to ensuring quality control ("QC") starting from our selection of suppliers. The Company has started adding "green" environmental protection consideration as a key factor when selecting suppliers and products and is pleased to inform that SunMoon had designated a new person in charge of the production area in Yantai for the purposes of QC. SunMoon aims to onboard more professionals with the necessary expertise and will work together on product selection, storage, processing, export and logistics to achieve the goal of sustainable business development.

Target for subsequent reporting

Nevertheless, SunMoon remains committed to increase the existing number of suppliers, both internationally and locally in the People's Republic of China to meet both international and local demand as suppliers adapt their operations to mitigate and navigate through the worst of the pandemic's impacts.

GRI 401: EMPLOYMENT

There are 2 new employees hire during the reporting period with 3 below 30 years of age, 6 between 30 to 40 years of age, 2 between 40 to 50 years of age and Nil between 50 and 60 years of age. The make up of the new hires comprises of 1 female and 1 male. The total number of employees⁽¹⁾ for the FY2023/24 is 12 which comprises of 5 females and 7 males.

SunMoon also provides various benefits to full time employees such as free medical services at one of our panel clinics, and specialist medical benefits. Additionally, we are supportive of family life and work-life balance and offer various types of leave for our employees such as parental, marriage, maternity, paternity, childcare, examination, and compassionate leave. However, none of our employees have utilised their parental leave during the reporting period.

As part of the Company's business development, SunMoon continuously upgrades our team structure by improving professionalism amongst our staff and ensuring that the job positions are properly staffed.

SunMoon is pleased to announce that the recruitment of core key personnel has been completed for project Vietnamese Pangasius, which has been launched successfully.

In addition to the recruitment of QC personnel in the production area of Yantai, SunMoon had onboarded more professionals such as the senior management for the export business and professional project managers for the production areas for FY2023/24.

Note:

(1) For SunMoon's PRC entities, there were a total of 1 female and 1 male who were hired and total 4 females and 4 males resigned for FY2023/24. In Singapore, there was 1 female and 1 male resigned for FY2023/24.

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

GRI 404: TRAINING AND EDUCATION

As part of SunMoon's policy of constant training and professional development for our employees, we send our employees to various training programs in order to upgrade their skills and competencies; this improves employees satisfaction and helps our staff perform even better at their jobs. For example, our finance team was sent to continuing professional development courses to improve employees' knowledge and skill, such as online courses conducted by Bolue at <https://www.bolue.cn/>. Additionally, we will also send our employees to participate in other training courses and large-scale exhibitions, such as, Wuhan Liangzhilong China Ingredients E-commerce Festival in Wuhan and Nanjing Seafood Ingredients Exhibition in Nanjing. On an ongoing basis, the Company will seek to ensure that senior management are considered for leadership training to ensure that their skills and knowledge remain relevant.

In compliance with SGX requirement, 4 directors had completed the mandatory sustainability training. The Company will make the necessary arrangements for the remaining Directors to attend the mandatory sustainability training in the coming year.

The average hour of training per year per employee is approximately 17 hours and the Company is pleased to have met the target set in the last reporting. All of our employees have annual performance reviews being carried out as part of our Company's policy. They receive regular performance and career development reviews as feedback so that they can continue to improve.

Target for subsequent reporting

SunMoon has managed to maintain our training hours for our employees and costs to be set aside in upgrading the skills of our staff in FY2023/24. For the upcoming financial year, our target is to continue maintaining the number of training hours (at the existing 17) hours) as well as to send all directors of SunMoon for training on the roles and responsibilities of a director of a listed issuer.



SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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ORGANISATIONAL PROFILE	
GRI: Foundation 2021	
Requirement 7: Publish a GRI content index	Pages 21 to 21
Requirement 8: Provide a statement of use	Page 10
GRI 2: General Disclosures 2021	
2-1 Organisational details	Pages 1 and 2
2-2 Entities included in the organization's sustainability reporting	Page 2
2-3 Reporting period, frequency and contact point	Page 16
2-4 Restatements of information	Page 16
2-5 External assurance	Page 16
2-6 Activities, value chain and other business relationships	Pages 10 and 11
2-7 Employees	Pages 11, 12, 18 and 19
2-23 Policy commitments	Pages 10 and 11
2-28 Membership associations	Pages 11 and 12
STRATEGY	
2-22 Statement on sustainable development strategy	Pages 13, 14 and 17
GOVERNANCE	
2-9 Governance structure and composition	Page 7
STAKEHOLDER ENGAGEMENT	
2-29 Approach to stakeholder engagement	Pages 11, 12 and 13
2-30 Collective bargaining agreements	Page 11
REPORTING PRACTICE	
3-1 Process to determine material topics	Page 15
3-2 List of material topics	Page 16
TOPIC SPECIFIC DISCLOSURES	
GRI 201: ECONOMIC PERFORMANCE	
201-1 Direct Economic Value Generated and distributed	Pages 17 and 53 to 56
201-2 Financial implications and other risks and opportunities	Page 17
201-3 Defined benefit plan obligations and other retirement plans	*SunMoon has no benefit plan obligation or other retirement plans
201-4 Financial assistance received from government	*SunMoon has not received any financial assistance from the government

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

GRI Reference and Disclosure Title	Page No.
GRI 204: PROCUREMENT PRACTICES	
204-1 Proportion of spending on local suppliers	Pages 17 and 18
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT	
308-1 New suppliers that were screened using environmental criteria	Pages 10, 11 and 18
308-2 Negative environmental impacts in the supply chain and actions taken	Page 18
GRI 401: EMPLOYMENT	
401-1 New employee hires and employee turnover	Page 18
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 18
401-3 Parental leave	Page 18
GRI 404: TRAINING AND EDUCATION	
404-1 Average hours of training per year per employee	Page 19
404-2 Programs for upgrading employee skills and transition assistance programs	Page 19
404-3 Percentage of employees receiving regular performance and career development reviews	Page 19



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REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the “**Board**”) of SunMoon Food Company Limited (the “**Company**”) and together with its subsidiaries, (collectively, the “**Group**”) recognises that sound corporate governance practices are important to the proper functioning of the Group, safeguards shareholders’ interests and enhances long-term value creation. The Board and the management of the Company (the “**Management**”) are pleased to report that the Company has complied with the principles of all material aspects of the Code of Corporate Governance 2018 (the “**Code**”), for the financial year ended 31 March 2024 and where there are material deviations from the Code, the explanations are provided within those sections of the report.

This report sets out the corporate governance practices that have been adopted by the Company.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

PRINCIPLE 1: THE COMPANY IS HEADED BY AN EFFECTIVE BOARD WHICH IS COLLECTIVELY RESPONSIBLE AND WORKS WITH MANAGEMENT FOR THE LONG-TERM SUCCESS OF THE COMPANY.

The Board comprises three (3) Executive Directors and five (5) Non-Executive Directors. Three (3) of the Non-Executive Directors are Independent Directors whilst two (2) of them are Non-Independent Directors. Together the Board has the relevant core competencies and diversity of experience which enables it to effectively contribute to the Group.

The Board objectively discharges its duties and responsibilities at all times as fiduciaries in the interests of the Company, and puts in place a code of conduct and ethics, sets an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors who face conflicts of interest must recuse themselves from discussions and decisions involving the issues of conflict.

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with Management to take objective decisions in the interest of the Group. Any Director who has a conflict of interest which is likely to impact his or her independence or conflict with a subject under discussion by the Board is required to immediately declare his or her interest to the Board, remove himself or herself from the information flow and recuse from participating in any further discussion or voting on the subject matter.

The Board, in addition to its statutory responsibilities, has the responsibility to protect and enhance long-term shareholders’ value. It sets the overall strategy for the Group and Management. To fulfil this role, the Board is responsible for the overall corporate governance of the Group which includes:

1. Setting and guiding the corporate strategy, directions and financial objectives of the Group, and monitoring the performance of Management towards achieving adequate shareholders’ value;
2. Providing guidance and leadership to Management and ensures that adequate resources are available to meet its objectives;
3. Assessing Management’s performance;
4. Establishing and overseeing the processes and frameworks related to risk management and internal control, financial reporting and compliance, including the release of financial results and announcements of material transactions;
5. Setting Company’s values and standards (including ethical standards and organisational culture), and ensuring that obligations to shareholders and other stakeholders are understood and met;
6. Approving all Board appointments and appointments of key management personnel (“KMP”);
7. Approving annual budgets, major funding proposals, investment and divestment proposals;
8. Advising Management on major policy initiatives and significant issues;
9. Overseeing the proper conduct of the Company’s business and assuming responsibility for corporate governance;
10. Identifying the key stakeholder groups and recognising that their perceptions affect the Company’s reputation;
11. Considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and
12. Ensuring proper accountability within the Company.

REPORT ON CORPORATE GOVERNANCE

To assist the Board in the execution of its responsibilities, the Board delegates specific authority to three Board committees which comprise the Audit and Risk Committee (“**ARC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”) (collectively, “**Board Committees**”). The delegation of authority by the Board to the Board Committees enables the Board to achieve operational efficiency by empowering these Board Committees to decide, review and make recommendations on matters within their respective written terms of reference and/or limits of delegated authority, without abdicating the Board’s overall responsibility.

Specific written terms of reference for each of the Board Committee set out the required composition, authority and responsibilities of the Board Committees, and provide for each Board Committee to submit at least a report of its activities to the Board. All terms of references for the Board Committees are approved by the Board and reviewed periodically to ensure their continued relevance, taking into account the changes in the governance and legal environment. These Board Committees function within clearly defined terms of reference and operating procedures which are reviewed on a regular basis. The effectiveness of each Board Committee is also constantly monitored.

The Board conducts an annual review of its processes to ensure that it is able to carry out its functions in the most effective manner.

The approval of the Board is required for any matter which is likely to have a material impact on the Group’s operating units and/or financial positions as well as matters other than in the ordinary course of business. The Company has an internal guideline for matters that require Board’s decision and approval, which include the following matters:

1. Major funding proposals, investments, acquisitions and divestments of interest including the Group’s commitment in terms of capital and other resources;
2. Corporate and Business plans, the annual budgets and financial plans of the Group;
3. Statutory Reporting including half yearly and full year announcements to Singapore Security Trading Limited (“**SGX**” or “**SGX-ST**”), Annual Report and any ad-hoc release to SGX;
4. Internal controls and risk management strategies and execution;
5. Appointment of Directors and KMP, including review of performance and remuneration packages; and
6. The Group has also in place financial authorization limits for matters such as operating and capital expenditure, credit lines and acquisition and disposal of assets and investments, which require the approval of the Board as per limits and Delegation of Authority set by the Board.

New Directors

The Directors, when first appointed, would be given an orientation on the Group’s business strategies and operations. The Directors also have the opportunity to visit the Group’s operating facilities and meet with the Management to gain a better understanding of the Group’s business operations and governance practices. The Company will provide a formal letter to the newly-appointed Directors, setting out the Director’s duties and obligations. For newly-appointed Directors who have no prior experience as Directors of a listed company, they will undergo briefing on the roles and responsibilities as Directors of a listed company.

Existing Directors

The Company will also, at its own expense, offer opportunities to Directors to update and refresh their knowledge in areas such as Directors’ duties and responsibilities, corporate governance, changes in financial reporting standards, changes in the Companies Act 1967 (“**Companies Act**”), continuing listing obligations and industry-related matters, and refresh the Directors on matters that may affect or enhance their performance as Board or Board Committee members.

All Directors will receive continuing education and training in areas pertaining to their duties and responsibilities, including corporate governance, financial reporting standards, and the relevant laws and regulations, such as the SGX-ST Listing Rules, the Code and the Companies Act. The Directors are invited to attend seminars and trainings organised by the Singapore Institute of Directors and other professional organisations to stay abreast of recent developments and approaches in financial, legal, corporate governance and regulatory practices.

REPORT ON CORPORATE GOVERNANCE

Attendance at Board and Board Committees Meetings

The Board will meet on a quarterly basis and ad-hoc Board meetings will be convened when they are deemed necessary. Apart from physical meetings, the Board and Board Committees also circulate written resolutions for approval by the relevant members of the Board and Board Committees. The Company's Constitution allows a board meeting to be conducted by way of a tele-conference and video conference, audio visual, or other similar communications equipment.

The NC will review the multiple board representations held by the Directors on an annual basis to ensure that sufficient time and attention is given to the affairs of the Company. The NC is of the view that the multiple board representations held presently by the Directors do not impede their respective performance in carrying out their duties as a Directors of the Company and the Directors have committed their time effectively to discharge their responsibilities.

Details of Directors' attendance at the Board and Board Committee meetings held for the financial year from 1 April 2023 to 31 March 2024 ("FY2023/24") are summarised in the table below.

	Board	Audit and Risk Committee	Remuneration Committee	Nominating Committee
Number of Meetings held	4	2	1	1
Non-Executive Directors				
Mr James Prideaux	4	2	1	1
Ms Ng Bie Tjin @Djuniarti Intan	4	2	1	1
Mr Yuen Pei Lur, Perry	4	2	1	1
Mr Wang Bo	4	2	NA	NA
Mr Song XiaoJun	4	NA	1	NA
Executive Directors				
Mr Zhang Ye	4	NA	NA	1
Mr Cen Jian	4	NA	NA	NA
Ms Liu YuanYuan	4	NA	NA	1

Management is required to provide complete, adequate and timely information to the Board on the Board's affairs and issues that require the Board's decision from time to time. Information provided included background of explanatory information, copies of disclosure documents, budgets, quarterly financial statements, management accounts and any material variances between the projections and actual results. This is to allow sufficient time for the Board members to obtain further explanations, where necessary, and to be properly briefed and adequately prepared for Board meetings.

The Chief Executive Officer ("**CEO**") keeps the Board members abreast of key developments affecting the Group as well as material transactions so that the Board is fully aware of the affairs of the Group.

The Board has separate and independent access to Management, Company Secretary and other employees at all times to request for any additional information needed to make informed decisions. Similarly, KMP, the Company's auditors or external consultants are invited to attend Board and Board Committee meetings to update and provide independent professional advice on specific issues, where necessary.

The Company Secretary attends all Board meetings and assists the Board in ensuring that Board procedures and all other rules and regulations applicable to the Company are complied with. The Company Secretary will assist the Chairman and the Board to ensure that good information flows within the Board and its committees and between senior management and Non-Executive Directors, to advise the Board on all governance matters, as well as to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value. The appointment and removal of the Company Secretary is subject to approval by the Board.

The Company has the procedure in place to enable the Directors, whether as a group or individually, to obtain independent professional advice as and when necessary in furtherance of their duties at the Company's expense. The appointment of such independent professional advisor is subject to approval by the Board.

REPORT ON CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

PRINCIPLE 2: THE BOARD HAS AN APPROPRIATE LEVEL OF INDEPENDENCE AND DIVERSITY OF THOUGHT AND BACKGROUND IN ITS COMPOSITION TO ENABLE IT TO MAKE DECISIONS IN THE BEST INTERESTS OF THE COMPANY.

The Board comprises three (3) Executive Directors, three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The present composition of the Board complies with the Code's provision where Non-Executive Directors make up a majority of the Board. The participation of the Directors in the Board Committees is as follows:

Name of Director	Independence	Board	Audit and Risk Committee	Remuneration Committee	Nominating Committee
Mr James Prideaux	Lead Independent Non-Executive	C	M	M	M
Ms Ng Bie Tjin @Djuniarti Intan	Independent Non-Executive	M	C	M	C
Mr Yuen Pei Lur, Perry	Independent Non-Executive	M	M	C	M
Mr Zhang Ye	Executive	M	–	–	M
Ms Liu YuanYuan	Executive	M	–	–	M
Mr Cen Jian	Executive	M	–	–	–
Mr Wang Bo	Non-Independent Non-Executive	M	M	–	–
Mr Song XiaoJun	Non-Independent Non-Executive	M	–	M	–

C: Chairman; M: Member

The NC adopts the Code's definition of what constitutes an Independent Directors in its annual review. The NC, having considered the declarations made by the Independent Directors in respect of their independence, is of the view that the current Board has an appropriate level of independence to enable it to make decisions in the best interests of the Company.

The NC is satisfied that the Independent Directors have no relationship (whether familial, business, financial, employment, or otherwise) with the company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director's independent judgment. Moreover, the Independent Directors do not have any interest, direct or indirect in the Group and do not receive benefits (direct or indirect) other than remuneration paid to the Independent Directors in connection with their professional services rendered to the Company.

The Board confirms that none of the Independent Directors has served on the Board beyond nine (9) years from the date of his/her first appointment.

The Chairman of the Board is Mr James Prideaux, who is a Lead Independent Director. Under the Chairmanship of Mr James Prideaux, the Non-Executive Directors continue to contribute to the Board process by reviewing Management's performance against goals and objectives, and monitoring the reporting of performance. Their views and opinions provide alternative perspectives to the Group's business. When challenging Management's proposals and/or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities. The Chairman also ensure that during the meeting no individual or small group of individuals dominate the Board's decision making process.

REPORT ON CORPORATE GOVERNANCE

During the year, the Non-Executive Directors communicated and met amongst themselves without the presence of Management as and when the need arose. The Company has benefited from the Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board Committees meetings.

The Lead Independent Director has the authority to call and lead meetings of the Independent Directors, when necessary and appropriate. The Independent Directors will meet periodically without the presence of the other Directors, and the Lead Independent Directors will provide feedback to the CEO after such meetings as appropriate.

Board Diversity

The NC reviews the size and composition of the Board annually to ensure that the Board has the appropriate mix of expertise, skills, knowledge, experience and gender diversity for effective decision-making. The Board, in concurrence with the NC, is of the view that the current number of eight (8) Directors and the composition is appropriate and effective, taking into consideration the scope and nature of the Company's operations. No individual or small group of individuals dominate the Board's decision-making.

The review will also ensure that there is a process of refreshing the Board progressively over time so that the experience of longer serving Directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointee could bring to the Board's deliberation. Together, the Directors as a group provide core competencies such as accounting and finance, business experience, industry knowledge, strategic planning experience and customer-based experience.

The Company has put in place a Board Diversity Policy ("Policy") which recognises the benefits of having an effective and diverse Board, and states that NC is responsible for setting the diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development.

The Board observes and applies the Policy to ensure that the Board will have an appropriate level of diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. In this regard, the Board, supported by the NC, encourages the emergence of diverse candidates by ensuring that the Board is made up of a diversity of candidates (including consideration of a diversity of skills, knowledge, experience, gender, ethnicity and age).

Our policy has a formalised target of at least one (1) female representative on the Board. The current Board comprises two (2) female Directors and six (6) male Directors with an age group ranging from 32 to 62 years old. Female Directors represent 25% of the Board. The Company's target to maintain this level of gender diversity in the period leading up to 31 March 2025. Each director has been appointed based on the strength of his or her calibre, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses. i.e. the appointments of directors has augmented other aspects of Board diversity in terms of professional qualifications, ethnicity, industry and geographic knowledge, age and skills and experience. The Board provides diversity of expertise and knowledge in areas such as accounting, finance, strategic planning, investment, business management and administration, legal and regulation, industry knowledge and economics.

Considering the nature and scale of the Group's business as well as the constantly evolving nature of business and industry conditions, the Board is satisfied that the size and composition of the Board and its Board Committees are appropriate at present and the current Directors have vast business and management experience and varied qualifications and expertise in the areas of finance, accounting, business management and industry knowledge, with varying age profiles. The Board is of the view that the current Board composition is sufficiently diverse to avoid groupthink and foster constructive debate and that, consistent with the broad principle behind Principle 2 of the Code, the current Board has an appropriate level of independence and diversity of thought and background to enable it to make decisions in the best interests of the Company.

REPORT ON CORPORATE GOVERNANCE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PRINCIPLE 3: THERE IS A CLEAR DIVISION OF RESPONSIBILITIES BETWEEN THE LEADERSHIP OF THE BOARD AND MANAGEMENT, AND NO ONE INDIVIDUAL HAS UNFETTERED POWERS OF DECISION-MAKING.

The Chairman of the Board is a non-executive appointment and is separate from the office of the CEO. The separation of the roles of Chairman and CEO ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The positions of Chairman and CEO are held by Mr James Prideaux and Mr Zhang Ye respectively.

Mr James Prideaux and Mr Zhang Ye are not related to each other and do not have any business relationship with each other.

The roles of the Chairman and the CEO are separate and distinct, each having their own areas of responsibilities. There is a clear division of responsibilities, as set out in writing and agreed by the Board, between the leadership of the Board and the executives responsible for managing the Company's business.

As the Chairman, Mr James Prideaux bears responsibility for the effective working of the Board. He is responsible for amongst others, ensuring that the Directors receive accurate, timely and clear information. He sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. In addition to making sure that each Director effectively contributes to the Group, he also encourages constructive relations between the management of the Company and the Board as well as between the Executive Directors and Non-Executive Directors and promotes a culture of openness and debate within the Board. Mr James Prideaux is also appointed as the Lead Independent Director of the Company for communicating with the shareholders in situations where their concerns are not resolved by the CEO and/or Management.

The CEO, Mr Zhang Ye, is responsible for the execution of the strategic plans set out by the Board and ensures that the Directors are kept updated and informed of the Group's business. He has played an instrumental role in developing the business, and has also provided the Group with strong leadership and vision. With the assistance of the Company Secretary, he schedules meetings and prepares meeting agenda to provide guidance, advice and leadership to the Board to perform its duties effectively. He is responsible for amongst others, ensuring that the Directors receive accurate, timely and clear information. Together with the Chairman, he sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. In addition to making sure that effective communication is achieved with the shareholders, he acts as facilitator to Non-Executive Directors for them to effectively contribute to the Group. He also encourages constructive relations between the Management and the Board as well as between the Executive Directors and Non-Executive Directors and promotes a culture of openness and debate at the Board.

The above is not an exhaustive description of the current or future role of the CEO. The role of the CEO may change in line with developments affecting the Group.

The Board is of the view that there is a clear division of responsibilities between the Chairman and the CEO which ensures that there is an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision making.

REPORT ON CORPORATE GOVERNANCE

BOARD MEMBERSHIP

PRINCIPLE 4: THE BOARD HAS A FORMAL AND TRANSPARENT PROCESS FOR THE APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS, TAKING INTO ACCOUNT THE NEED FOR PROGRESSIVE RENEWAL OF THE BOARD.

NOMINATING COMMITTEE (“NC”)

The NC, regulated by a set of written terms of reference, comprises the following five (5) Directors:

Ms Ng Bie Tjin @Djuniarti Intan (Chairperson)	–	Independent Director
Mr James Prideaux	–	Lead Independent Director
Mr Yuen Pei Lur, Perry	–	Independent Director
Mr Zhang Ye	–	Executive Director
Ms Liu YuanYuan	–	Executive Director

The NC is responsible for setting the relevant objectives that promote and achieve diversity on the Board. In achieving its objectives, NC is responsible for the following:

- (a) to review, assess and make recommendations to the Board on all Board appointments, including re-appointments, having regard to the Directors’ contribution and performance as well as identifying any gaps in the Board’s skills sets taking into account the Company’s business operations;
- (b) to review annually the structure, size and composition (including the skills, gender, age, qualification, experience and diversity) of the Board and Board Committees. The NC shall make recommendations to the Board with regard to any adjustments that may be deemed necessary;
- (c) to review the succession plans for Directors, CEO and KMP and where appropriate, review contingency arrangements for any unexpected and sudden and unforeseen changes relating to the key management team in charge of the business operations;
- (d) to determine annually, and on a discretionary basis, whether or not a director is independent, bearing in mind the circumstances set forth in the Code and any other salient factors. Each Independent Director is required to provide a declaration in writing to confirm his/her independence and his/her relationships with the Director, Management and substantial shareholder of the Company;
- (e) to determine if a Director with other listed company board representations and/or principal commitments is able to and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the effectiveness of the individual Director, and the respective Director’s conduct on the Board, in making this determination. In respect of FY2023/24, the NC was of the view that each Director has given sufficient time and attention to the affairs of the Company and has been able to discharge his duties as Director effectively. As a guide, the Board determines five (5) as the maximum number of board representations in listed companies which any Director may hold subject to any special circumstances that may be applicable to any particular Director;
- (f) to determine the process for selection and appointment of new Directors to the Board, including disclosure on the search and nomination process;

In the search, nomination and selection process for new Directors, the NC identifies the key attributes that an incoming Directors should have, based on the balance and diversity of skills, experience, gender and knowledge required by the Board and the requirements of the Group. After endorsement by the Board of the key attributes, the NC taps on the resources of Directors’ personal contacts and recommendations of potential candidates, and goes through a shortlisting process. If candidates identified from this process are not suitable, executive recruitment agencies are appointed to assist in the research process. Interviews are set up with potential candidates for NC members to assess them, before a decision is reached. New Directors are appointed by way of a Board resolution after the NC has reviewed and recommended the appointment of these new Directors.

REPORT ON CORPORATE GOVERNANCE

- (g) to decide how the Board's performance may be evaluated and propose objective performance criteria, as approved by the Board, that allows comparison with its industry peers, and address how the Board has enhanced long term shareholders' value;
- (h) to review training and professional development programmes for the Board and its Directors; and
- (i) to ensure that new Directors are aware of their duties and obligations.

The NC is charged with the responsibility of recommending to the Board the re-appointment of Directors having regard to, among other things, their past contribution and performance. The Directors submit themselves for re-nomination at regular intervals of at least once every three years. Pursuant to the Constitution of the Company, one third of the Board or if their number is not a multiple of three, the number nearest to but not less than one third with a minimum of one, to retire from office by rotation and be subjected to re-election at the Annual General Meeting ("**AGM**") of the Company. A newly appointed Directors must also subject himself to retirement and re-election at the AGM immediately following his/her appointment. Thereafter, he/she is subject to retirement by rotation once every three years.

The Directors due for re-election at the forthcoming AGM under are Mr Zhang Ye, Ms Ng Bie Tjin @Djuniarti Intan and Mr Cen Jian. After assessing the contribution and performance of the retiring Directors, the NC has recommended the re-election of all the subjected Directors and the Directors have offered themselves for re-election and the Board has accepted the recommendations of the NC. Each Director had recused himself and herself relating to the recommendation on his or her re-election as Director of the Company.

The NC had assessed the independence of the Independent Directors namely Mr James Prideaux, Ms Ng Bie Tjin @Djuniarti Intan and Mr Yuen Pei Lur, Perry and were satisfied that there was no relationship or other factors such as financial assistance, past association, business dealings, being a representative of a shareholder, financial dependence, relationship with the Group or the Group's management, which would impair or compromise their independent judgment or which would deem them not to be independent.

Therefore, the NC is of the view that the Board has sufficient independent element and its composition is appropriate to facilitate effective decision-making. Each Independent Director had recused himself in the determination of his own independence.

The Company has no alternate Director on its Board.

Presently, none of the Director held more than five (5) Directorship in the listed companies. As the number of board representations should not be the only measurement of a Director's commitment and ability to contribute effectively, the NC takes the view that if a Director wishes to hold board representations in more than the maximum stated per the guidelines, a request must be made to the NC before submitting to the Board for approval.

The key information of each Director including Directorships and chairmanships in other listed companies, other major appointments and principal commitments, academic/professional qualifications and etc. can all be found under the Directors' profile section on pages 5 to 7 of this Annual Report.

Having reviewed each Director's external Directorships, their principal commitments, as well attendance and contributions to the Board, the NC is satisfied that these Directors are able to contribute and adequately performed their duties as Director of the Company.

BOARD PERFORMANCE

PRINCIPLE 5: THE BOARD UNDERTAKES A FORMAL ANNUAL ASSESSMENT OF ITS EFFECTIVENESS AS A WHOLE AND THAT OF EACH OF ITS BOARD COMMITTEES AND INDIVIDUAL DIRECTORS.

The Company acknowledges the importance of a formal assessment of Board performance and has adopted a formal system of evaluating Board performance as a whole. The Company has adopted the measures and process proposed by the NC in relation to the evaluation of Board performance. An evaluation of Board performance is conducted to identify areas of improvement and as a form of good Board management practice.

REPORT ON CORPORATE GOVERNANCE

In FY2023/24, the NC assess the effectiveness of the Board as a whole and its Board Committees and contribution by each Director on each of the following:

- Board composition;
- Information to the board;
- Board procedure;
- Board accountability;
- CEO/Management; and
- Standard of conduct.

The evaluation process involves each Director completing a questionnaire on the overall effectiveness of the Board covering areas such as Board's composition and conduct, Board's processes and procedures, Board's accountability, and evaluation and succession planning of key executives, as well as each Board committee member completing a self-assessment questionnaire in respect of the effectiveness of their respective Board committees.

To ensure confidentiality, all duly completed evaluation forms were submitted to the Company Secretary for collation. The responses on a collective basis are then discussed by the NC. The NC discusses the results of the Board's performance evaluation to identify areas where improvements are necessary and makes recommendations to the Board for action to be taken.

The NC then shared the observation and findings with the Board to provide necessary feedback on their performance, with a view to improve performance and shareholders' value. The Chairman and CEO will act on the results of the evaluation and where appropriate and in consultation with the NC, propose the appointment of new Directors or seek the resignation of current Directors.

The NC has reviewed the overall performance of the Board, Board Committees and individual Director for FY2023/24 and was satisfied that the Board as a whole and Board Committees have met the performance evaluation criteria and objectives and each Director has contributed effectively and demonstrated commitment to their respective roles, including commitment of time for the Board and Board Committee meetings and any other duties in FY2023/24.

The NC has not engaged external evaluation facilitators for the financial year in review.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 6: THE BOARD HAS A FORMAL AND TRANSPARENT PROCEDURE FOR DEVELOPING POLICIES ON DIRECTORS AND EXECUTIVE REMUNERATION, AND FOR FIXING THE REMUNERATION PACKAGES OF INDIVIDUAL DIRECTORS AND KEY MANAGEMENT PERSONNEL. NO DIRECTOR IS INVOLVED IN DECIDING HIS OR HER OWN REMUNERATION.

Remuneration Committee ("RC")

The RC, regulated by a set of written terms of reference, comprises the following four (4) Directors:

Mr Yuen Pei Lur, Perry (Chairman)	–	Independent Director
Mr James Prideaux	–	Lead Independent Director
Ms Ng Bie Tjin @Djuniarti Intan	–	Independent Director
Mr Song XiaoJun	–	Non-Independent Non-Executive Director

REPORT ON CORPORATE GOVERNANCE

The RC duties are including but not limited for the following:

- (a) to recommend to the Board for endorsement of framework and policies of remuneration for the Executive Directors and KMP;
- (b) to review and recommend the fees for Non-Executive Directors, taking into account factors such as their effort and time spent, and their responsibilities;
- (c) to review and recommend specific remuneration packages and terms of employment for each Executive Director and KMP, including but not limited to Directors' fees, salaries, allowances, bonuses, options, and benefits-in-kind;
- (d) in the case of service contracts, to consider what compensation commitments the Directors', CEO's and KMP's contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance; and
- (e) monitor the level and structure of remuneration for KMP relative to the internal and external peers and competitors.

The RC ensures the appropriateness, transparency and accountability to shareholders on issues of remuneration of the Directors and Management. No Director will be involved in deciding his own remuneration. Each member of the RC shall abstain from voting on any resolution and making any recommendations in respect of his or her remuneration package.

The Company has not engaged any remuneration consultants for FY2023/24 and will continue to monitor the need to engage external remuneration consultants going forward and where applicable, will review the independence of the external firm before any engagement.

The annual review covers all aspects of remuneration including salaries, fees, allowances, bonuses, options and benefits-in-kind, taking into consideration the long-term interests of the Group as well as the termination terms, to ensure they are fair and not overly generous. The RC will also take into account the performance of the Group as well as that of the Directors and Key Executive Officers, aligning their interests with those of Shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. It ensures that remuneration package is appropriate to attract, retain and motivate the Directors and Key Executive Officers to provide good stewardship of the Group and successfully manage the Group for the long term.

LEVEL AND MIX OF REMUNERATION

PRINCIPLE 7: THE LEVEL AND STRUCTURE OF REMUNERATION OF THE BOARD AND KEY MANAGEMENT PERSONNEL ARE APPROPRIATE AND PROPORTIONATE TO THE SUSTAINED PERFORMANCE AND VALUE CREATION OF THE COMPANY, TAKING INTO ACCOUNT THE STRATEGIC OBJECTIVES OF THE COMPANY.

The remuneration packages are set such that the Directors and KMP are adequately but not excessively remunerated as compared to other comparable companies in the industry in view of present market conditions. The remuneration policy adopted takes into account the individual's and the Company's performance, and whether it is aligned with the interest of shareholders, and promotes the long-term success of the Company.

The RC also recognises the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore, in determining the compensation structure, the RC has taken into account the risk policies and risk tolerance of the Group as well as the time horizon of risks, and incorporated risk-adjustments into the compensation structure through several initiatives.

In determining such remuneration packages, the RC will ensure that they are adequate by considering, in consultation with the Chairman of the Board, the respective individual's responsibilities, skills, expertise and contribution to the Company's performance, and whether they are competitive and sufficient to ensure that the Company is able to attract, retain and motivate the Directors to provide good stewardship of the Company and KMP to successfully manage the company for the long term.

REPORT ON CORPORATE GOVERNANCE

The remuneration of the CEO, Mr Zhang Ye, as set out in the 3-years services agreement which commenced on 1 January 2022, comprises of only a fixed monthly salary of S\$1 for the period from 1 January 2022 to 31 March 2022, and fixed monthly salary of S\$15,000 for the period from 1 April 2022 to 31 March 2024. The subsequent remuneration for Mr. Zhang Ye will be reviewed and adjusted based on the Company's performance. The service agreement may be terminated during such term either as provided in the service agreement or by either party giving to the other a written notice. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of CEO.

Mr Cen Jian, as set out in the 3-years services agreement which commenced on 21 August 2020, will not be entitled to any service fee or remuneration for his appointment as an Executive Director of the Company. Mr Cen Jian receiving fixed monthly salary from Shanghai SunMoon Supply Chain Management Co., Ltd, ("ShanMai"), a wholly owned subsidiary of the Company, where the details of his remuneration are disclosed under KMP. The service agreement may be terminated during such term either as provided in the agreement or by either party giving to the other a written notice. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the Executive Director.

The remuneration of Ms Liu YuanYuan, as set out in the 3-years services agreement which commenced on 1 April 2023, comprises of a fixed monthly salary for her position as Strategy Director and will not be entitled to any services fee or remuneration for her appointment as an Executive Director of the Company. Prior to her appointment as Executive Director and Strategy Director of the Company, Ms Liu YuanYuan receiving fixed monthly salary from SunMoon Food (Shanghai) Co. Ltd ("SMSH"), a wholly owned subsidiary of the Company, where the details of her remuneration are disclosed under KMP. The service agreement may be terminated during such term either as provided in the agreement or by either party giving to the other a written notice. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the Executive Director and Strategy Director.

The current remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors have not been overcompensated to the extent that their independence is compromised. The Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. Except for Directors' fees, the Non-Executive Directors do not receive any other forms of remuneration, such as shares, from the Company.

The Company does not have contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors, Independent Directors and KMP in the event of a breach of their fiduciary duties to the Company, such as misstatement of financial results, or misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself of remedies against the Executive Directors in the event of such breach of fiduciary duties.

DISCLOSURE ON REMUNERATION

PRINCIPLE 8: THE COMPANY IS TRANSPARENT ON ITS REMUNERATION POLICIES, LEVEL AND MIX OF REMUNERATION, THE PROCEDURE FOR SETTING REMUNERATION, AND THE RELATIONSHIPS BETWEEN REMUNERATION, PERFORMANCE AND VALUE CREATION.

The Group's remuneration policy (which covers all aspects of remuneration, including directors' fees, salaries, allowances and bonuses, grant of share options, and benefits-in-kind) is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market or the industry.

REPORT ON CORPORATE GOVERNANCE

Directors

The fees payable and remuneration paid to each of the Directors of the Company for the financial period from 1 April 2023 to 31 March 2024 for all Directors with a breakdown of the level and mix of the remuneration is as follows:

	Fees ⁽¹⁾ %	Fixed Salary ⁽²⁾ %	Bonus and Benefits-in-Kind %	Total (\$)
Executive Director				
Mr Zhang Ye	–	100	–	192,852
Mr Cen Jian	–	–	–	–
Ms Liu YuanYuan	–	–	–	–
Non-Executive Director				
Mr James Prideaux	100	–	–	55,000
Ms Ng Bie Tjin @Djuniarti Intan	100	–	–	48,000
Mr Yuen Pei Lur, Perry	100	–	–	38,000
Mr Gary Loh Hock Chuan (resigned on 1 July 2023)	100	–	–	3,250
Mr Wang Bo	–	–	–	–
Mr Song XiaoJun	–	–	–	–

- Directors' fees are subject to shareholders' approval as a lump sum at the AGM to be held on 30 July 2024, Mr Gary Loh Hock Chuan Director's fee was from 1 April 2023 to 30 June 2023.
- Fixed Salary includes all social contribution paid by employer.

No Director is involved in deciding his/her own remuneration. Each RC member has abstained from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.

Top Key Management Personnels

The Company only identified four (4) KMP and the remuneration paid to or accrued to the KMP (who are not Directors or the CEO), for the financial period from 1 April 2023 to 31 March 2024 is tabled with a breakdown of the level and mix of the remuneration as follows:

Remuneration band below S\$250,000	Fixed Salary ⁽¹⁾ %	Bonus and Benefits-in-Kind %	Total Cash & Benefits (\$)
Ms Liu YuanYuan ⁽²⁾	100	–	441
Mr Cen Jian ⁽³⁾	100	–	
Ms Huang ChaoPing ⁽⁴⁾	100	–	
Ms Wang Hui Zhen	100	–	

- Fixed Salary includes all social contribution paid by employer.
- Ms Liu YuanYuan received remuneration from the Company for her position as Strategy Director.
- Mr Cen Jian received remuneration from Shanghai SunMoon Supplychain Management Co., Ltd ("ShanMai") for his position as General Manager in ShanMai.
- Ms Huang ChaoPing received remuneration from SunMoon Food (Shanghai) Co., Ltd ("SMSH") for her position as Finance Director in SMSH.

REPORT ON CORPORATE GOVERNANCE

The Company believes that it should not disclose the remuneration paid to each of KMP in absolute amount due to the highly competitive market and in the interest of maintaining good morale and building team work within the Group. There were no termination, retirement and/or post-employment benefits granted to Directors or KMP during FY2023/24.

No employee of the Company and its subsidiaries was an immediate family member of a Director or the CEO and whose remuneration exceeded \$100,000 during the FY2023/24. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

The Company's employee share option Scheme ("Option Scheme") was approved and adopted by the shareholders at an Extraordinary General Meeting ("EGM") of the Company held on 30 April 2012. However, no share options have been granted or awarded pursuant to the Option Scheme. The Option Scheme has been lapsed on 29 April 2022. The Company has proposed employee share option Scheme 2024 ("Option Scheme 2024") and SunMoon Performance Share Plan 2024 (the "Share Plan 2024") for shareholders' approval at the forthcoming EGM of the Company to be held on 30 July 2024.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 9: THE BOARD IS RESPONSIBLE FOR THE GOVERNANCE OF RISK AND ENSURES THAT MANAGEMENT MAINTAINS A SOUND SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROLS, TO SAFEGUARD THE INTERESTS OF THE COMPANY AND ITS SHAREHOLDERS.

The Board acknowledges that it is responsible for determining the Company's level of risk tolerance and risk policies, the overall internal control framework, the overseeing of the Management in the design, implementation and monitoring of a sound system of risk management and internal controls to safeguard the shareholders' interests and the Company's assets.

The Audit and Risk Committee ("**ARC**") reviews the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems established by the Management as well as the independence, objectivity and effectiveness of the internal audit function to ensure that the internal audits are conducted effectively, and the Management provides the necessary cooperation to enable the internal audit to perform its function. The ARC is satisfied that the internal audit function is independent, effective and adequately resourced.

With these steps, the ARC believes that the system of internal control implemented by the Management has ensured that a proper internal control mechanism is still in place and remains effective and adequate to identify, address and mitigate risks from jeopardising the Company's operation. The system of internal controls currently implemented by the Group provides reasonable assurance against financial misstatements or loss.

In addition, the external auditors carry out, in the course of their statutory audit, an annual review of the effectiveness of the Company's material internal controls to the extent laid out in their audit plan. Material internal control weaknesses noted during their audit (if any) and the auditors' recommendations are reported to the Board and the ARC. Steps are taken to rectify any weaknesses reported. For FY2023/24, no material internal control weaknesses were noted by the external auditors.

The Board recognises that no internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Board and ARC get assurance based on all works performed as listed below:

1. Internal controls established and maintained by the Group as documented and reviewed as necessary in the matrix of risk register, group policies, and Standard Operating Procedures;
2. Work performed by the external auditors;
3. ARC discussions and reviews performed by the ARC and the Board;

REPORT ON CORPORATE GOVERNANCE

4. Reviews performed by the Management;
5. Execution of the Group Whistle Blowing Policy; and
6. Other reviews performed by other committees.

The Board, with the concurrence of the ARC, and based on the work performed by external auditor and reviews performed by Management and various Board Committees, holds the opinion that the risk management systems and internal controls addressing financial, operational, and compliance risks maintained by the Management throughout the financial period from 1 April 2023 to 31 March 2024, up to the date of this report, are adequate and effective to meet the needs of the Group in its current business environment. The Board has received assurance from the Chief Executive Officer, the Group Financial Director and the Group Financial Controller:

- (a) That the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;
- (b) The risk management and internal control systems in place within the Group are adequate and effective in addressing the material financial, operational, information technology and compliance risks in the Group; and
- (c) The system of internal controls and risk management established by the Group provides reasonable but not absolute assurance that the Group will not be adversely affected by any event that can reasonably be foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal control and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, fraud or other irregularities.

AUDIT AND RISK COMMITTEE ("ARC")

PRINCIPLE 10: THE BOARD HAS AN AUDIT COMMITTEE WHICH DISCHARGES ITS DUTIES OBJECTIVELY.

The ARC, regulated by a set of written terms of reference, comprises the following four (4) Directors:

Ms Ng Bie Tjin @Djuniarti Intan (Chairperson)	–	Independent Director
Mr James Prideaux	–	Lead Independent Director
Mr Yuen Pei Lur, Perry	–	Independent Director
Mr Wang Bo	–	Non-Independent Non-Executive Director

The Board is of the view that the members of the ARC are appropriately qualified, having the necessary accounting or related management expertise or experience as the Board interprets such qualification, to discharge their responsibilities.

The external auditor will provide regular updates to the ARC on relevant changes to the accounting standards and the implications on the financial statements.

The ARC meets periodically to discuss and review the following where applicable:

Audit

- (a) to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (b) to review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);
- (c) to review the independence and objectivity of the Company's external auditor and its internal audit function, and to recommend to the Board their appointment or re-appointment;
- (d) to review the effectiveness of the Company's external auditor and internal audit function;

REPORT ON CORPORATE GOVERNANCE

- (e) to review the scope and results of the Company's external audit, and to review and discuss with the external auditor and internal audit function:
 - the audit plan their audit report, their letter to Management and Management's response;
 - the half yearly, and annual financial announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
 - the co-operation between external auditor, the internal audit function and Management, reviewing the assistance given by Management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matter which the auditor may wish to discuss (in the absence of Management where necessary);
- (f) to review and discuss with external auditors about any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and Management's response;
- (g) to make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditors. Where the external auditors also supply a substantial volume of non-audit services to the company, the ARC reviews the nature and extent of such services, seeking to maintain objectivity;
- (h) to meet with the external auditors, in each case without the presence of Management, at least once annually;
- (i) to review the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;
- (j) to conduct an annual review of the whistleblowing arrangements to ensure effective implementation. Where necessary, the arrangements should be amended;
- (k) to review transactions falling within the scope of Chapter 9 of the Listing Manual and potential conflicts of interests, if any;
- (l) to undertake such other reviews and projects as may be requested by the Board and to report to the Board its findings from time to time on matters arising and requiring the attention of ARC;
- (m) to generally undertake such other functions and duties as may be required by statute and the Listing Manual, and by such amendments made thereto from time to time; and
- (n) reviewing the assurance from the CEO, the Group Finance Director and the Financial Controller on the financial records and financial statements.

Risk

Assist the Board in carrying out responsibilities of overseeing the Company's risk management framework and policies:

- (a) to identify, assess, monitor and manage risks associated with the operations of the Group, and examine any other matters relating to risks that are referred to it by the Board;
- (b) to build consensus among the Board members and Management on acceptable risk levels (in terms of risk likelihood and its impact) and monitor current risk levels;
- (c) to assess whether the risk management framework is appropriate and adequate;

REPORT ON CORPORATE GOVERNANCE

- (d) to monitor Management accountability for risk management processes and compliance with risk policies;
- (e) to review and make recommendations to the Board in relation to risk management;
- (f) to consider, and make recommendations to the Board in connection with, the compliance by the Group with its risk management framework and policies;
- (g) to report to the Board on any material changes to the risk profile of the Group;
- (h) to monitor and refer to the Board any instances involving material breaches or potential breaches of the Group's risk management policies; and
- (i) to engage such independent professional advice as it considers necessary in fulfilling its duties.

The ARC has the explicit powers to conduct or authorise investigations into any of the abovementioned matters. The ARC has full access to and co-operation by Management and also full discretion to invite any Directors or executive officer to attend its meetings as well as reasonable resources to enable it to discharge its function properly.

The ARC meets with the Group's external auditor and Management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group and review any change of accounting standards and issues which have a direct impact on financial statements. The ARC meets with the external auditor, without the presence of Management, at least once a year. The Company complies with SGX-ST Listing Rules 712 and 715 in relation to auditing firm.

The members of the ARC do not comprise former partners or Directors of the Company's existing auditing firm or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or Directors of the auditing corporation; and in any case, for as long as they have any financial interest in the auditing firm or auditing corporation.

The primary line of reporting of the internal audit function is to the ARC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The ARC will ensure that the internal audit function has unfettered access to the Company's documents, and has appropriate standing within the Company.

The ARC has conducted an annual review of the volume of non-audit services, if any, to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The ARC had recommended the re-appointment of CLA Global TS PAC as the external auditors at the forthcoming AGM. The fees for both audit and non-audit services are listed below:

	CLA Global TS PAC (\$'000)	Other auditor in Singapore (\$'000)	Total (\$'000)
Statutory audit fees for the financial year ended 31 March 2024	98	4	102
Total Non-Audit Fees	–	–	–
Total	98	4	102

Whistleblowing Policy

The Whistle-Blowing Policy is in place within the Group and the code of Business Ethics and Conduct and Conflict of Interests declaration are in practice within the Group.

The Whistle-Blowing Policy provide a channel for employees and external parties to bring to the attention of the ARC of any misdeed or impropriety committed by the management or staff of the Company and give whistle-blower(s) assurance that they will be protected from reprisals or victimisation for any whistle blowing in good faith.

REPORT ON CORPORATE GOVERNANCE

The Company shall maintain the confidentiality of the whistle-blower(s) to the fullest extent reasonably practicable within the legitimate needs of the law and any ensuing evaluation or investigation.

The ARC reviews all whistleblowing complaints (if any) to ensure independent, thorough investigation and appropriate follow-up actions.

Reports can be lodged by calling the Company at +65 6779 5688 or through the Company's website.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

PRINCIPLE 11: THE COMPANY TREATS ALL SHAREHOLDERS FAIRLY AND EQUITABLY IN ORDER TO ENABLE THEM TO EXERCISE SHAREHOLDERS' RIGHTS AND HAVE THE OPPORTUNITY TO COMMUNICATE THEIR VIEWS ON MATTERS AFFECTING THE COMPANY. THE COMPANY GIVES SHAREHOLDERS A BALANCED AND UNDERSTANDABLE ASSESSMENT OF ITS PERFORMANCE, POSITION AND PROSPECTS.

ENGAGEMENT WITH SHAREHOLDERS

PRINCIPLE 12: THE COMPANY COMMUNICATES REGULARLY WITH ITS SHAREHOLDERS AND FACILITATES THE PARTICIPATION OF SHAREHOLDERS DURING GENERAL MEETINGS AND OTHER DIALOGUES TO ALLOW SHAREHOLDERS TO COMMUNICATE THEIR VIEWS ON VARIOUS MATTERS AFFECTING THE COMPANY.

In presenting the annual financial statements and half yearly announcements to shareholders, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. The Management currently provides the Board with management accounts of the Group's performance and position on a quarterly basis. Such reports provide the Board with the basis to make balanced and understandable assessment of the Group's performance and financial position and enable the Board to evaluate the Group's prospects.

The Board takes steps to ensure compliance with all the Group's policies, operational practices and procedures, and relevant legislative and regulatory requirements, including requirements under the listing rules.

In line with continuous disclosure obligations of the Company and pursuant to the SGX-ST Listing Rules, the Board's policy is that shareholders are informed of all major developments that impact the Group. An investor relations policy is also in place to regularly convey pertinent information to shareholders.

The Group communicates with shareholders by providing timely updates of all material developments that may impact the Group, and changes in the Group or its business which may materially affect the price or value of the Company's shares on SGXNet. The Company's website is also continually updated with the latest information concerning the Company. By providing shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility.

Communication is also made through annual reports that are prepared and issued to all shareholders as well as half yearly announcements, notice of AGM and EGM, other announcements and press releases are issued via SGXNET. During the AGM and EGM, the Board and Management are present to address shareholders' queries. Shareholders are provided the opportunity to raise questions and express their views.

In addition, shareholders are encouraged to attend and vote at the general meetings of shareholders to ensure a high level of accountability and to stay informed of the Group's strategy and goals. Shareholders will be informed of the rules, including voting procedures that govern the general meeting at the respective meetings. They may vote in person or in absentia by way of proxies deposited, in person or by mail, at the registered address of the Company. Currently the Board has not implemented any voting methods to allow shareholders to vote by way of electronic mail or facsimile. Pursuant to Regulation 82(1) of the Company's Constitution, a shareholder may appoint not more than two proxies to attend and vote at the same general meeting. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold shares through a nominee or custodial services company, may attend and vote at each AGM.

REPORT ON CORPORATE GOVERNANCE

The general meeting of shareholders is the principal forum for dialogue with shareholders. The Board welcomes questions from shareholders who have an opportunity to raise questions either informally or formally before or at the general meeting. The notice of the general meetings to shareholders, together with explanatory notes or a circular on items of special business is published to SGXNet and a national newspaper, at least 14 days before the meeting for ordinary resolutions and 21 days before the meeting for special resolutions.

In line with the Company's corporate social responsibility initiatives and environmental sustainability efforts, annual reports and circulars to shareholders will be published on the Company's corporate website i.e. <https://www.sunmoonfood.com/> and at SGXNet i.e. <https://www.sgx.com/securities/company-announcements> and available for viewing or downloading by the shareholders. Shareholders can also access financial information, corporate announcements, press releases, annual reports and profile of the Group on the Company's website at <https://www.sunmoonfood.com/>, as well as via SGXNet at <https://www.sgx.com/securities/company-announcements>.

There are separate resolutions on each substantially separate issue. All Directors attend general meetings of shareholders. The Chairpersons of the ARC, NC and RC will normally be available at the shareholders' meetings to answer those questions relating to the work of these committees. The external auditors of the Company will also normally be present to address shareholders' queries about the conduct of audit and the preparation and content of the auditor's report.

The Company provides for separate resolutions at general meeting on each distinct issue. All the resolutions at the general meetings are single item resolutions. Where resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting. All resolutions at general meeting are put to the vote by way of poll. Votes cast for, or against, for each resolution will be read out by the Chairman of the Meeting immediately at the meeting.

The forthcoming AGM to be held in respect of FY2023/24 ("2024 AGM"), will be convened and held physically at Capri Changi City, meeting room Pod 1, 3 Changi Business Park Central 1, Singapore 486037 on Tuesday, 30 July 2024. Shareholders will be able to raise questions and vote in person at the 2024 AGM. Arrangements relating to the attendance and voting at the 2024 AGM by shareholders or their duly appointed proxy(ies), are set out in the Notice of AGM and Proxy Form.

The Company Secretary prepares the minutes of shareholders' meetings, which incorporates substantial comments or queries from shareholders and responses from the Board and Management. As a matter of policy and practice, minutes of shareholders' meetings (including shareholders' comments and responses from the Board and/or Management) are always available to shareholders on request.

Beginning from our 2020 AGM, minutes of shareholders' meeting are published on the Company's website and also released via SGXNET. The Company will publish the minutes of the AGM to be held on 30 July 2024 on SGXNet and the Company's website at URL <https://www.sunmoonfood.com/> as soon as practicable.

Through the Company's website and hotline, the Company is able to gather views and/or inputs from shareholders. Subsequently, the Company will reply shareholders' concerns through email (enquiry@sunmoonfood.com) and/or phone call (67795688).

In addition to shareholders' meeting, Management aims to take steps to solicit and understand the views of the shareholders through analyst briefings, investor roadshows and/or briefings. Such meetings provide useful platforms for Management to engage with investors and analysts.

The form, frequency and amount of future dividends on the Company's shares will depend on the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may, in their absolute discretion, deem appropriate. Shareholders should note that the foregoing statements are merely statements of the Board's present intention and do not constitute a legally binding commitment by the Company in respect of the declaration and/or payment of dividends in the future. There is no assurance that dividends will be declared and/or paid in the future or as to the timing of any dividends that are to be paid in the future. No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends.

REPORT ON CORPORATE GOVERNANCE

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

PRINCIPLE 13: THE BOARD ADOPTS AN INCLUSIVE APPROACH BY CONSIDERING AND BALANCING THE NEEDS AND INTERESTS OF MATERIAL STAKEHOLDERS, AS PART OF ITS OVERALL RESPONSIBILITY TO ENSURE THAT THE BEST INTERESTS OF THE COMPANY ARE SERVED.

The Company identifies and prioritises stakeholders based on the influence, responsibility, dependency, representation and proximity that stakeholders have with the Company's businesses, which includes customers, suppliers, regulators/agents, investors and employees.

Customers

The Company engages customers by carrying out adequate background checks including but not limited to whether they have healthy credit, the customers' capacity, annual turnover and total paid up capital. The Company may also conduct customers' satisfaction surveys and/or feedback, and allocate staff to assist customers if the need arises. Generally, the Company's customers want more stock and more varieties of fruits and other products to fulfil demand.

Suppliers

The Company carries out background checks on suppliers to ensure that their products meet the Company's "SunMoon Quality Assurance" standards which include the type, quality and safety of the products they supply. The Company is also in the process of developing sustainability and green standards for suppliers to adhere to. The Company is concerned with the cost of business, speed of delivery and the quantity and quality of delivery.

Authorities and/or Agents

The Company may, as and when required, engage with the authorities and/or agents to assist them in the compliance of different regulatory, compliance and licensing/certification requirements across different borders. Effective engagement with the authorities and/or agents can reduce any delays or costs caused by licensing, importing or any other issues that may arise.

Investors

The Company understands that investors are concerned with the economic performance of the Company. As such, the Company is committed to disclose relevant and material information to its shareholders, the investment community and the public in a timely, accurate and transparent manner, in accordance with the SGX-ST Listing Rules and the Code. The Company's disclosures are made public through SGXNet and on the Company's corporate website at www.sunmoonfood.com. The Company regularly communicates through nominated spokesperson(s) to ensure consistency in messaging, addressing concerns and queries as well as managing the expectations of shareholders and the investment community. The Company also regularly engages with shareholders, potential investors, and/or the media through the AGM and EGM, conference calls, analyst briefings, media interviews and luncheons, Annual Reports, Press Releases and announcements on SGXNet.

Employees

The Company's employees go through regular feedback and appraisals and have ample opportunity to develop their skills and competencies. Employees also have the opportunity to take on greater roles and responsibilities. The Company's employees would like better incentives and performance bonuses as well as better work life balance.

Corporate Website

The Company maintains a corporate website at www.sunmoonfood.com to communicate and engage with the various stakeholders.

REPORT ON CORPORATE GOVERNANCE

OTHERS

Dealing In Securities

The Company has adopted internal codes pursuant to the SGX-ST Listing Rules applicable to all its officers in relation to dealings in the Company's securities. Its officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcements of the Company's financial results for each of the first three quarters of the financial year, and during the period commencing one month before the announcements of the Company's half year and full year financial results for the financial year, and ending on the date of announcement of the relevant results.

Interested Person Transaction

To ensure that interested person transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company has adopted an internal policy in respect of any transactions with interested persons and the Company has in place procedures for review and approvals for the interested person transactions under the IPT General Mandate.

INTERESTED PERSON TRANSACTIONS DISCLOSURES

The aggregate value of interested person transactions entered into during the financial year ended 31 March 2024 is as follows:-

Name of interested person	Nature of relationship	Aggregate value of all interested Person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual) (In S\$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (In S\$'000)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Listing Manual (including transactions less than S\$100,000 for the reasons set out below)* (In S\$'000)
Shanghai Yiguo E-Commerce Co. Ltd and its related entities	Controlling Shareholder			
	Sales to	–	–	8
	Purchases from	–	–	(9)
	Service received	–	–	(3)
	Service Provided	–	–	4

* For clarity, as many of the interested person transactions fall below \$100,000, therefore the disclosures include individual transaction that are below \$100,000 in value.

MATERIAL CONTRACT

Saved as disclosed above in the section entitled "Interested Person Transactions" and in the financial statements of the Company, there were no material contracts of the Group involving the interest of the CEO, Directors or controlling shareholders subsisting at the end of FY2023/24 or have been entered into since the end of the previous financial year.

USE OF PROCEEDS

The details of the use of proceeds is as follows:-

	\$'000
Procurement	1,909
General & Admin expenses, Daily operation expenses	910
Net proceeds from the placement	2,819

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The directors present their statement to the members together with the audited financial statements of SunMoon Food Company Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 March 2024 and the statement of financial position of the Company as at 31 March 2024.

In the opinion of the directors,

- (a) the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Mr James Prideaux
 Mr Zhang Ye
 Ms Ng Bie Tjin @ Djuniarti Intan
 Mr Yuen Pei Lur, Perry
 Ms Liu YuanYuan
 Mr Wang Bo
 Mr Song XiaoJun

Arrangements 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.

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 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
	At the end of financial year	At the beginning of financial year or date of appointment, if later	At the end of financial year	At the beginning of financial year or date of appointment, if later
Ultimate holding corporation				
– Shanghai Yiguo E-commerce Co., Limited				
Mr Zhang Ye	–	–	16,103,923	16,103,923
Mr Wang Bo	–	–	16,103,923	16,103,923
Intermediate holding corporation				
– Shanghai Win-Chain Commerce Management Co., Limited				
Mr Zhang Ye	–	–	130,000,000	130,000,000
Mr Wang Bo	–	–	130,000,000	130,000,000

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Directors' interests in shares and debentures (continued)

	Direct interest		Deemed interest	
	At the end of financial year	At the beginning of financial year or date of appointment, if later	At the end of financial year	At the beginning of financial year or date of appointment, if later
Immediate holding corporation				
– SunMoon Global Pte. Ltd.				
Mr Zhang Ye	–	–	60,000,000	60,000,000
Mr Wang Bo	–	–	60,000,000	60,000,000
The Company				
Mr Zhang Ye	–	–	465,850,989	465,850,989
Mr Wang Bo	–	–	465,850,989	465,850,989
Ms Ng Bie Tjin @ Djuniarti Intan	120,000	120,000	–	–
Mr Yuen Pei Lur, Perry	19,870	19,870	–	–
Mr Song XiaoJun	14,780,000	–	125,000,000	–

By virtue of Section 7 of the Singapore Companies Act 1967, Mr Zhang Ye and Mr Wang Bo are deemed to have an interest in the 465,850,989 shares of the Company and all the ordinary shares of the Company's subsidiaries.

By virtue of Section 7 of the Singapore Companies Act 1967, Mr Song XiaoJun is deemed to have an interest in all Company's subsidiaries.

There was no change in any of the above-mentioned interests in the Company between the end of financial year and 21 April 2024.

Share options

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. The Option Scheme has lapsed on 29 April 2022.

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 its subsidiaries under options as at the end of financial year.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Directors' interests in shares and debentures (continued)

Audit and Risk Committee

The members of the Audit and Risk Committee ("ARC") at the end of the financial year were as follows:

Ms Ng Bie Tjin @ Djuniarti Intan (Chairperson)
Mr James Prideaux
Mr Yuen Pei Lur, Perry
Mr Wang Bo

All members of the ARC were Independent and Non-Executive Directors, except for Mr Wang Bo who was a Non-Independent and Non-Executive Director.

The ARC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967. The functions performed are detailed in the Report on Corporate Governance.

The ARC has recommended to the Board that the independent auditor, CLA Global TS Public Accounting Corporation, be nominated for re-appointment as the independent auditor of the Company at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors:

.....
Mr Zhang Ye
Director

.....
Ms Liu YuanYuan
Director

12 July 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNMOON FOOD COMPANY LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SunMoon Food Company Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in *the Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics Applicable to Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNMOON FOOD COMPANY LIMITED (continued)

Report on the audit of the financial statements (continued)

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 for the financial year ended 31 March 2024. 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.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Expected credit losses (“ECL”) of trade receivables <i>See accounting policies in Note 2.9(b) and critical accounting estimates in Note 3(a)</i> <i>Refer to Note 14 and 24(a) to the financial statements</i></p> <p>As at 31 March 2024, the Group has trade receivables of approximately \$3,619,000, net of loss allowance of \$552,000. The net trade receivables accounted for approximately 32.9% and 32.3% of the Group's total current assets and total assets respectively.</p> <p>In accordance with SFRS(I) 9 <i>Financial Instruments</i>, the Group is required to recognise ECL on financial assets that are measured at amortised cost. For trade receivables, the Group uses a provision matrix to measure the lifetime ECL allowance and trade receivables are grouped based on shared credit risk characteristics, days past due and debtor-specific for the purpose of the ECL assessment. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjustments are made to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.</p> <p>In estimating the ECL for trade receivables, significant judgement is applied to determine if past credit loss information and future forward information reflect the appropriate levels of credit risk of the trade receivables and if additional adjustments are required to be made to the expected credit loss estimates.</p> <p>The assessment of ECL allowance on trade receivables is considered to be a key audit matter because of the significant judgements applied, subjective assumptions used by management and the related estimation uncertainty involved in determining the adequacy of the loss allowance provided. The significance of this is further elevated by the current overall economic outlook in the countries where the customers operate, which could increase the risk of default of the Group's customers.</p>	<p>In obtaining sufficient audit evidence, the following procedures have been performed:</p> <ul style="list-style-type: none"> – Obtained an understanding and evaluated the Group's processes and ECL assessment for trade receivables; – Assessed the appropriateness of the estimates and judgments used by management in the estimation of credit losses and consequently the allowances required by comparing against the aging profile of trade receivables, historical default rates, debt collection patterns, subsequent receipts and other information on creditworthiness of the Group's customers; – Reviewed the aging analysis of trade receivables, tested the accuracy of aging report; and reviewed customers' historical payment patterns to assess the collectability of past due accounts and adequacy of loss allowances; – Reviewed any breaches of credit limit and credit term, requested selected trade receivable confirmations, verified the subsequent receipts from customers by inspecting remittance advices or any other available audit evidence and inquired management on disputed receivables; and – Reviewed and considered the adequacy of disclosures made in the financial statements in respect of the credit risk of trade receivables.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNMOON FOOD COMPANY LIMITED (continued)

Report on the audit of the financial statements (continued)

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Impairment of inventories</p> <p><i>See accounting policies in Note 2.14 and critical accounting estimates in Note 3(b)</i></p> <p><i>Refer to Note 15 to the financial statements</i></p> <p>As at 31 March 2024, the carrying value of inventories of the Group, consisting of mainly frozen meat and fish which have a limited shelf life amounted to \$2,140,000, net of inventories write-down of \$136,000. These inventories represent approximately 19.4% and 19.1% of the Group's total current assets and total assets respectively.</p> <p>Cost of inventories is determined on a "weighted average" basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The write-down of inventories is required when the net realisable values of specific inventory items fall below their costs. Inventories are carried at the lower of cost and net realisable value. Net realisable value ("NRV") is defined as the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.</p> <p>We focused on this area as estimates relating to net realisable values and write-down of inventories may have significant impact on the Group's working capital and liquidity position. The estimation of NRV of inventories is based on current market conditions and historical experience which involves management's judgement in assessing the market positioning of the Group's products and are dependent on factors such as customer demands and price competition in response to the inventories shelf lives.</p> <p>For these reasons, we have identified this as a key audit matter.</p>	<p>In obtaining sufficient audit evidence, the following procedures have been performed:</p> <ul style="list-style-type: none"> - Attended inventories count physically and remotely, including obtaining confirmation from third party warehouses; - Reviewed any obsolete or slow-moving inventories identified by management through the physical inventories count observation, inspection of physical packaging and expiry dates and enquiries of relevant personnel; - Reviewed the Group's costing approach and the appropriateness of the costing methods used for inventories; - Assessed the reasonableness of the assumptions/basis used to determine the amount to be written down and the adequacy of the write-down of inventories made by management; - Performed test of NRV to ascertain that inventories are stated at lower of cost and NRV by comparing the carrying amounts to subsequent selling prices or recent market price of comparable products; and - Reviewed the appropriateness of the Group's policy for identifying the defective inventory and the adequacy amount of the write-off/down of inventories.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNMOON FOOD COMPANY LIMITED (continued)

Report on the audit of the financial statements (continued)

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Impairment of investment in subsidiaries <i>See accounting policies in Note 2.8 and critical accounting estimates in Note 3(c)</i> <i>Refer to Note 10 to the financial statements</i></p> <p>As at 31 March 2024, the Company has investment in subsidiaries, including quasi capital loans amounting to approximately \$10,266,000.</p> <p>Management determines at the end of financial year the existence of any objective evidence that the investment in subsidiaries may be impaired. For subsidiaries with indicators of impairment, management performed impairment assessment on the investment and determined their recoverable amounts based on value-in-use calculations.</p> <p>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 discount rate, budgeted revenue and gross margins, terminal growth rates and expected timing of recovery of receivables.</p> <p>For these reasons, we have identified this as a key audit matter.</p>	<p>In obtaining sufficient audit evidence, the following procedures have been performed:</p> <ul style="list-style-type: none"> - Together with our internal specialists, evaluated the reasonableness of the inputs and data used by management to derive the recoverable amounts, such as discount rate, forecasted revenue, gross profit margins, terminal growth rates as well as the timing of recovery of receivables. This included comparing the cash flow projections approved by board of directors against actual results, historical performance of the subsidiaries, market data and industry trend; - Discussed with management to obtain an understanding of the business environment of the subsidiaries at the reporting date and considered the viability of planned strategies around business expansion, revenue stream growth strategies and cost initiatives based on market trends and conditions; - Evaluated management's sensitivity analysis and assessed whether reasonable changes in the key assumptions would cause the carrying amounts to exceed the recoverable amounts; and - Reviewed and considered the adequacy of disclosures made in the financial statements in respect of the impairment assessment of the Company's investment in subsidiaries.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNMOON FOOD COMPANY LIMITED (continued)

Report on the audit of the financial statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNMOON FOOD COMPANY LIMITED (continued)

Report on the audit of the financial statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNMOON FOOD COMPANY LIMITED (continued)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Meriana Ang Mei Ling.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

12 July 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group	
	Note	2024 \$'000	2023 \$'000
Revenue	4	27,061	42,368
Cost of sales		<u>(26,241)</u>	<u>(41,490)</u>
Gross profit		820	878
Other income			
– Interest income		1	1
– Other income	5	450	333
Expenses			
– Selling and distribution expenses		(516)	(628)
– Administrative expenses		(1,307)	(1,494)
– Other gains and losses	6	720	(1,345)
– Finance costs	7	(30)	(30)
Profit/(loss) before income tax	7	138	(2,285)
Income tax expense	8	–	–
Net profit/(loss) for the financial year		138	(2,285)
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		(217)	(607)
Other comprehensive loss for the financial year, net of income tax		(217)	(607)
Total comprehensive loss for the financial year		(79)	(2,892)
Net profit/(loss) attributable to:			
Equity holders of the Company		28	(1,996)
Non-controlling interests		110	(289)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(189)	(2,603)
Non-controlling interests		110	(289)
Earning/(loss) per share attributable to equity holders of the Company (cents per share)			
Basic and diluted earnings/(loss) per share	21	0.003	(0.26)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Non-current assets					
Plant and equipment	9	208	43	-	-
Investment in subsidiaries	10	-	-	10,266	9,307
Investment in associate	11	-	-	-	-
Financial assets, at fair value through profit or loss ("FVPL")	12	-	-	-	-
Total non-current assets		208	43	10,266	9,307
Current assets					
Cash and cash equivalents	13	2,571	1,634	70	100
Trade and other receivables	14	6,297	10,148	25	25
Inventories	15	2,140	908	-	-
Total current assets		11,008	12,690	95	125
Total assets		11,216	12,733	10,361	9,432
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	19	144,762	141,887	144,762	141,887
Other reserves	20	15,880	16,097	18,085	18,085
Accumulated losses		(152,528)	(152,556)	(152,789)	(151,903)
		8,114	5,428	10,058	8,069
Non-controlling interest	10	(158)	(268)	-	-
Total equity		7,956	5,160	10,058	8,069
LIABILITIES					
Non-current liabilities					
Borrowings	16	87	9	-	-
Total non-current liabilities		87	9	-	-
Current liabilities					
Borrowings	16	1,170	608	-	-
Trade and other payables	17	2,003	6,956	303	1,363
Total current liabilities		3,173	7,564	303	1,363
Total liabilities		3,260	7,573	303	1,363
Total equity and liabilities		11,216	12,733	10,361	9,432

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2024

Group	Share capital (Note 19) \$'000	Capital reduction reserve (Note 20) \$'000	Treasury shares (Note 20) \$'000	Foreign currency translation reserve (Note 20) \$'000	Total other reserves \$'000	Accumulated losses \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 April 2023	141,887	18,384	(299)	(1,988)	16,097	(152,556)	(268)	5,160
Profit for the financial year	-	-	-	-	-	28	110	138
Other comprehensive loss	-	-	-	(217)	(217)	-	-	(217)
Exchange differences arising from translation of foreign operations	-	-	-	(217)	(217)	28	110	(79)
Total comprehensive (loss)/ income for the financial year	-	-	-	(217)	(217)	28	110	(79)
Contributions by owners	2,875	-	-	-	-	-	-	2,875
Issuance of placement shares (Note 19)	2,875	-	-	-	-	-	-	2,875
Total contribution by owners	144,762	18,384	(299)	(2,205)	15,880	(152,528)	(158)	7,956
Balance at 31 March 2024	141,887	18,384	(299)	(1,381)	16,704	(150,560)	21	8,052
Loss for the financial year	-	-	-	-	-	(1,996)	(289)	(2,285)
Other comprehensive loss	-	-	-	(607)	(607)	-	-	(607)
Exchange differences arising from translation of foreign operations	-	-	-	(607)	(607)	-	-	(607)
Total comprehensive loss for the financial year	-	-	-	(607)	(607)	(1,996)	(289)	(2,892)
Balance at 31 March 2023	141,887	18,384	(299)	(1,988)	16,097	(152,556)	(268)	5,160

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024 \$'000	2023 \$'000
Operating activities			
Profit/(loss) before income tax		138	(2,285)
Adjustments for:			
Interest income		(1)	(1)
Interest expense	7	30	30
Depreciation of plant and equipment	7	75	87
Allowance for write-down of inventories	7	136	–
Allowance for expected credit loss on trade receivables	6	154	1,388
Reversal of allowance for expected credit loss on trade receivables	6	(930)	–
Write back of long outstanding other payables	5	(193)	–
Unrealised foreign exchange gains, net		(201)	(646)
Operating cash flows before working capital changes		(792)	(1,427)
Working capital changes:			
Inventories		(1,368)	1,072
Trade and other receivables		(3,898)	1,133
Trade and other payables		4,627	(427)
Cash (used in)/generated from operations, representing net cash (used in)/provided by operating activities		(1,431)	351
Investing activities			
Interest received		1	1
Purchase of plant and equipment	9	(65)	(8)
Net cash used in investing activities		(64)	(7)
Financing activities			
Interest paid		(30)	(30)
Repayment of lease liabilities		(57)	(84)
Deposit received from placement	19	–	862
Proceeds from issuance of placement shares	19	2,013	–
Loan from immediate holding corporation		540	–
Net cash provided by financing activities		2,467	748
Net change in cash and cash equivalents		972	1,092
Cash and cash equivalents			
Beginning of financial year		1,634	565
Exchange difference on cash and cash equivalents		(35)	(23)
End of financial year	13	2,571	1,634

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

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 corporation is SunMoon Global Pte. Ltd., incorporated in the Republic of Singapore and its ultimate holding corporation is Shanghai Yiguo E-commerce Co., Ltd, incorporated in the People’s Republic of China.

The registered office of the Company is 1 Scotts Road, #21-07 Shaw Centre, Singapore 228202 and its principal place of business is at 51 Changi Business Park Central 2, #03-06 The Signature, Singapore 486066.

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

The principal activities of the subsidiaries and associate are set out in Note 10 and Note 11 to the financial statements respectively.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) under historical cost convention except as disclosed in the accounting policies below.

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

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2023

On 1 April 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

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 promised goods or services to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (continued)

(a) *Revenue from sales of goods*

Revenue from sale of goods (i.e. sale of fresh and processed fruits and aquatic food) is recognised at a point in time upon the satisfaction of each performance obligation which is usually upon the delivery of goods to customers.

(b) *Interest income*

Interest income is recognised using the effective interest rate method.

2.3 Grants

Grants are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Grants relating to expenses are shown separately as other income.

Grants relating to assets are deducted against the carrying amount of the assets.

2.4 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(a) *Subsidiaries (continued)*

(ii) *Acquisitions (continued)*

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) *Associate*

Associate is an entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investment in associate is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisition*

Investment in associate is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associate represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(c) *Associate (continued)*

(ii) *Equity method of accounting*

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise Group's share of its associate's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associate is recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in associate equal to or exceeds its interest in the associate, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in associate includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associate are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investment in associate is derecognised when the Group loses significant influence. If the retained equity interest in the former associate is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

2.5 Plant and equipment

(a) *Measurement*

(i) *Plant and equipment*

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Components of costs*

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Plant and equipment (continued)

(b) Depreciation

Depreciation on other items of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Plant and machineries	2 to 10 years
Office equipment	3 to 10 years
Furniture, fixtures and fittings	5 to 10 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other income/expenses".

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.7 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.8 Impairment of non-financial assets

Intangible asset

Plant and equipment

Right-of-use assets

Investments in subsidiaries and associate

Intangible assets, plant and equipment, right-of-use assets and investments in subsidiaries and associate are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets (continued)

Intangible asset

Plant and equipment

Right-of-use assets

Investments in subsidiaries and associate (continued)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.9 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss (FVPL).

The classification of debt instruments depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (continued)

(a) *Classification and measurement (continued)*

At subsequent measurement

(i) *Debt instrument*

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

The subsequent measurement depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) *Equity investments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise.

(b) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24(a) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS (I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Leases

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "plant and equipment".

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (continued)

When the Group is the lessee (continued)

- Lease liabilities (continued)
 - The exercise price of a purchase option if it is reasonably certain to exercise the option; and
 - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short-term and low-value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is determined on a "weighted average" basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which inventories can be realised in the ordinary course of business, less estimated costs of completion and costs incurred in marketing and distribution. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

2.15 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Income taxes (continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.16 Provisions

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2.17 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the Group participates in a local municipal government retirement benefits scheme (the "Scheme"), whereby the PRC subsidiaries are required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the PRC subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Employee compensation (continued)

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset. (continued)

(a) *Defined contribution plans (continued)*

The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above. The contributions to these Schemes are charged to profit or loss in the period to which the contributions relate.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2.18 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("S\$"), which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

All foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "other gains and losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Currency translation (continued)

(c) *Translation of Group entities' financial statements (continued)*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows: (continued)

- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash at bank are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.20 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.21 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors who make strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Provision for expected credit losses ("ECL") 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 24(a).

The carrying amount of the Group's trade receivables as at 31 March 2024 is \$3,619,000 (2023: \$5,582,000).

(b) *Write-down of inventories*

A review is made periodically for excess inventory, obsolescence and declines in net realisable value below cost and management records write-down against the inventory balance for any such declines. These reviews are based on current market conditions and historical experience which require management's judgements in assessing the market positioning of the Group's products and are dependent on factors such as customer specification requirements, demands and price competition in response to the industry life cycles. Possible changes in these judgements could result in revisions to the valuation of inventories. The carrying amount of inventories and the movement in the write-down of inventories are disclosed in Note 15 to the financial statements.

(c) *Impairment of investment in subsidiaries*

Investment in subsidiaries is tested for impairment annually for objective evidence or indication that the Company's investment in subsidiaries may be impaired. During the financial year, the Company carried out impairment test for its investment in certain subsidiaries due to presence of impairment indicators.

In performing the impairment assessment of the carrying amount of the 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 calculation. The recoverable amounts are determined based on a number of significant operational and predictive assumptions such as discount rate, forecasted revenue, gross profit margins, terminal growth rates as well as the timing of recovery of receivables which involves significant estimates.

The information about impairment of investment in subsidiaries are disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. REVENUE

Revenue from contracts with customers

	Group	
	2024 \$'000	2023 \$'000
At a point in time		
Sales of goods – fruits, frozen seafood & meat and others	27,061	42,368

5. OTHER INCOME

	Group	
	2024 \$'000	2023 \$'000
Write back of long outstanding other payables	193	–
Government grants	–*	–
Rental rebate	–	73
Other service income, net ⁽¹⁾	257	143
Other compensation ⁽²⁾	–	117
	450	333

* Amount less than S\$1,000

(1) Other service income for the financial year ended 31 March 2024 related to consulting service provided to third party customer (2023: other service income related to management and consulting services provided to the ultimate holding corporation and is presented in net after deducting related service costs of \$144,000).

(2) Other compensation income was in relation to credit notes received from the ultimate holding corporation for certain orders made in prior financial years.

6. OTHER GAINS AND LOSSES

	Group	
	2024 \$'000	2023 \$'000
Foreign exchange (losses)/gains, net	(56)	54
Allowance for expected credit loss on trade receivables (Note 24(a))	(154)	(1,388)
Reversal of allowance for expected credit loss on trade receivables (Note 24(a))	930	–
Other	–	(11)
	720	(1,345)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

7. PROFIT/(LOSS) BEFORE INCOME TAX

The following expense items have been included in arriving at profit/(loss) before income tax:

	Group	
	2024 \$'000	2023 \$'000
<u>Cost of goods sold</u>		
Purchases of inventories	27,047	39,971
Changes in inventories	(1,368)	1,072
Allowance for write-down of inventories (Note 15)	136	–
	27,815	42,113
<u>Selling and distribution expenses</u>		
Advertisement and promotion	120	4
Employee benefits expense:		
– Salaries, bonus and other short-term benefits	217	380
– Defined contribution plans	136	176
Total employee benefits expense	353	556
	503	560
<u>Administrative expenses</u>		
Audit fees		
– Auditors of the Company	98	98
– Other auditors	4	2
Depreciation of plant and equipment (Note 9)	75	87
Rental expense for short-term lease (Note 18(c))	5	28
Directors' fees (Note 23(b))	144	147
Employee benefits expense:		
– Salaries, bonus and other benefits	613	492
– Defined contribution plans	49	123
Total employee benefits expense	662	762
	1,038	1,056
<u>Finance costs</u>		
Interest expense:		
– Bank borrowings	22	26
– Lease liabilities (Note 18(b))	8	4
	30	30

Employee benefits expense is recognised in the following line items of the Group's profit or loss:

	Group	
	2024 \$'000	2023 \$'000
Selling and distribution expenses	353	687
Administrative expenses	662	762
	1,015	1,449

The employee benefits expenses include the remuneration of Directors and other key management personnel as disclosed in Note 223(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

8. INCOME TAX EXPENSE

(a) *Income tax expense*

The major components of income tax expense recognised in profit or loss for the financial years ended 31 March 2024 and 2023 were:

	Group	
	2024	2023
	\$'000	\$'000
Current income tax		
– Profit for the financial year	–	–

The tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2024	2023
	\$'000	\$'000
Profit/(loss) before income tax	138	(2,285)
Income tax calculated at Singapore's statutory tax rate of 17% (2023: 17%)	24	(388)
Effect of:		
– different tax rates in other countries	81	(97)
– income not subjected to tax	(191)	(22)
– expenses not deductible for income tax purposes	76	487
– utilisation of tax losses previously unrecognised	(769)	(36)
– deferred tax assets not recognised	779	56
	–	–

As at 31 March 2024, the Group has unutilised tax losses of approximately \$18,158,000 (2023: \$18,099,000) and unutilised capital allowance of approximately \$302,000 (2023: \$289,000) available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement by the relevant tax authority and provisions of the tax legislations of the respective countries in which the Group operates.

(b) *Unrecognised temporary differences relating to investment in subsidiaries*

As at the end of financial year, there is no unrecognised deferred tax liabilities in relation to aggregate amount of temporary differences associated with undistributed earnings of subsidiaries as they are in accumulated losses positions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

9. PLANT AND EQUIPMENT

	Office, plant and machineries \$'000	Office equipment \$'000	Furniture, fixtures and fittings \$'000	Total \$'000
Group				
Cost				
At 1 April 2022	212	130	–	342
Additions	50	8	–	58
Currency translation differences	(15)	–	–	(15)
At 31 March 2023 and 1 April 2024	247	138	–	385
Additions	212	–	65	277
Write off/Disposal	(100)	(7)	(16)	(123)
At 31 March 2024	359	131	49	539
Accumulated depreciation				
At 1 April 2022	142	126	–	268
Depreciation charge for the financial year	82	5	–	87
Currency translation differences	(10)	(3)	–	(13)
At 31 March 2023 and 1 April 2023	214	128	–	342
Depreciation charge for the financial year	58	3	14	75
Write off/Disposal	(66)	(4)	(16)	(86)
At 31 March 2024	206	127	(2)	331
Net carrying amount				
At 31 March 2023	33	10	–	43
At 31 March 2024	153	4	51	208

Included in Additions during the financial year was office spaces acquired under lease arrangement amounted to \$212,000 (2023: Nil).

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 18.

10. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 \$'000	2023 \$'000
Unquoted equity shares, at cost	10,200	10,200
Allowance for impairment loss	(10,200)	(10,200)
	–	–
Amount due from subsidiaries (non-trade)	18,532	17,568
Allowance for impairment loss	(8,266)	(8,261)
	10,266	9,307
	10,266	9,307

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

	Company	
	2024 \$'000	2023 \$'000
Balance at the beginning and the end of financial year	<u>10,200</u>	<u>10,200</u>

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 amount due from subsidiaries were as follows:

	Company	
	2024 \$'000	2023 \$'000
Balance at the beginning of financial year	8,261	9,073
Reversal of allowance for impairment during the financial year	(3)	(732)
Currency translation differences	8	80
Balance at the end of financial year	<u>8,266</u>	<u>8,261</u>

(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	
		2024 %	2023 %
<i>Held by the Company</i>			
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
<i>Held by the Company</i>			
SunMoon Distribution & Trading Pte. Ltd. ⁽²⁾ (Singapore) ("SMDT")	Importer, exporter, wholesaler, retailer and commission agent of fruits	100	100
<i>Held by SunMoon Distribution & Trading Pte Ltd</i>			
SunMoon Food (Shanghai) Co., Ltd ⁽⁴⁾ (People's Republic of China) ("SMF Shanghai")	Headquarter for China operations, sales and other marketing and distribution	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

10. 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	
		2024 %	2023 %
<i>Held by SunMoon Food (Shanghai) Co., Ltd</i>			
Shanghai SunMoon Supply Chain Management Co., Ltd. ⁽³⁾ (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
Shanghai SunMoon Food & Aquatic International Trading Co., Ltd ⁽⁴⁾ (People's Republic of China)	Dormant	100	100
Shanghai Shanwen International Trading Co., Ltd ⁽⁴⁾ (People's Republic of China)	Supply chain management, food management, sales of edible agricultural products, gift flowers, arts and crafts and ceremonial supplies, office supplies, clothing and accessories, daily necessities, hardware products, and household appliances, Information consulting services, domestic cargo transportation agency, conference and exhibition services, trade and trade agency between enterprises in the zone, import and export of goods, technology import and export, e-commerce.	100	100
Shanghai Shanyan International Trading Co., Ltd. (f.k.a Shanghai ShanFu International Trading Co., Ltd) ⁽⁴⁾ (People's Republic of China)	Supply chain management, food management, sales of edible agricultural products, gift flowers, arts and crafts and ceremonial supplies, office supplies, clothing and accessories, daily necessities, hardware products, and household appliances, Information consulting services, domestic cargo transportation agency, conference and exhibition services, trade and trade agency between enterprises in the zone, import and export of goods, technology import and export, e-commerce.	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

10. 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	
		2024 %	2023 %
Held by SunMoon Food (Shanghai) Co., Ltd (continued)			
Shanghai Jiangshan International Trading Co., Ltd ⁽³⁾ (People's Republic of China)	Supply chain management, food management, sales of edible agricultural products, gift flowers, arts and crafts and ceremonial supplies, office supplies, clothing and accessories, daily necessities, hardware products, and household appliances, Information consulting services, domestic cargo transportation agency, conference and exhibition services, trade and trade agency between enterprises in the zone, import and export of goods, technology import and export, e-commerce.	51	51

(1) Audited by YW&CO, Singapore.

(2) Audited by CLA Global TS Public Accounting Corporation, Singapore

(3) Audited by Shanghai CLA Global TS Certified Public Accountants for consolidation purpose.

(4) Not required to be audited under the laws of the country of incorporation

In accordance with Rule 712 and 716 of the Singapore Exchange Securities Trading Limited – Listing Rules, the Audit and Risk Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Group.

Significant restriction

Cash in bank of \$2,188,000 (2023: \$1,120,000) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

(b) *Impairment of investment in subsidiaries*

Investment in subsidiaries is 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") calculation, using financial budgets approved and involving a number of significant operational and predictive assumptions, covering a five-year period and projections to terminal year.

During the financial year, the Group carried out a review of the recoverable amount of the net investment in subsidiaries and concluded that no additional impairment required. The reversal of allowance for impairment of \$3,000 (2023: \$732,000) during the financial year related to receipt of payment from subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Impairment of investment in subsidiaries (continued)

The pre-tax discount rates, gross margin and terminal growth rates used in the VIU calculations for impairment of investments in SMF Shanghai and its subsidiaries and SMDT are shown as below:

	Group	
	2024	2023
SMF Shanghai and its subsidiaries		
Pre-tax discount rates	7%	8%
Gross margin	3%	6%
Terminal growth rates	1%	2%
SMDT*		
Pre-tax discount rates	7%	–
Gross margin	5%	–
Terminal growth rates	1%	–

* No impairment assessment was made during the financial year ended 31 March 2023 for SMDT as there was no indication that the investment in SMDT may be impaired.

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.

(c) The carrying amount of non-controlling interests to the Group are as follows:

	Group	
	2024 \$'000	2023 \$'000
Shanghai Jiangshan International Trading Co., Ltd	110	(289)

No summarised financial information for the subsidiaries that have non-controlling interests are presented as management is of the opinion that the carrying amount of the non-controlling interests are in aggregate and individually not material to the Group.

11. INVESTMENT IN ASSOCIATE

	Group	
	2024 \$'000	2023 \$'000
Unquoted equity shares, at cost	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

11. INVESTMENT IN ASSOCIATE (CONTINUED)

The particulars of the associate are as follows:

Name of associate (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held	
		%	%
<i>Held by Shanghai SunMoon Food & Aquatic International Trading Co., Ltd</i>			
Yantai XMSS Supply Chain Co., Ltd (“Yantai”) ⁽¹⁾ (People’s Republic of China)	Supply chain management; food management, wholesale and retail of edible agricultural products; wholesale and retail of fresh fruits; sales of sanitary products and disposable medical products; information consulting services (not including licensing information consulting services); domestic cargo transportation agency; enterprise management consulting; technical service, development, consultation, exchange, transfer and promotion; software development; computer system service; catering management; non residential real estate.	49	49

(1) Not required to be audited under the laws of the country of incorporation

On 2 November 2022, Yantai was incorporated with registered share capital of RMB3,000,000 which remained unpaid as at the end of financial year, accordingly no cost of investment has been made by the Group for its 49% interest.

As at 31 March 2024, the Group has commitments to contribute for the registered share capital of \$285,000 (equivalent to RMB1,470,000) (2023: \$285,000) as working capital of Yantai, if called. This commitment has not been recognised in the Group’s consolidated financial statements.

There are no contingent liabilities relating to the Group’s interest in the associate.

No summarised financial information for the associate is presented as management is of the opinion that the associate is in aggregate and individually not material to the Group.

12. FINANCIAL ASSETS, AT FVPL

	Group	
	2024 \$’000	2023 \$’000
Financial instruments		
Equity security (unquoted)	-	-

The above pertains to the equity security of Harvest Season Pte. Ltd. which was classified at financial assets, at FVPL. As at 31 March 2024 and 2023, management has reviewed the investee’s latest financial result and ascertained its fair value to be zero.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Bank balances	<u>2,571</u>	<u>1,634</u>	<u>70</u>	<u>100</u>

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables:				
– Third parties	4,127	6,835	–	–
– Related parties	44	106	–	–
	<u>4,171</u>	<u>6,941</u>	<u>–</u>	<u>–</u>
Less: Allowance for impairment loss (Note 24(a))				
– Third parties	(552)	(1,359)	–	–
	<u>3,619</u>	<u>5,582</u>	<u>–</u>	<u>–</u>
Other non-trade receivables:				
– Third parties	45	54	–	–
– Related parties ⁽¹⁾	362	437	–	–
	<u>407</u>	<u>491</u>	<u>–</u>	<u>–</u>
Refundable deposits	30	236	–	–
Total trade and other receivables carried at amortised cost	<u>4,056</u>	<u>6,309</u>	<u>–</u>	<u>–</u>
Goods and Services Tax/Value Added Tax refundable	25	121	3	4
Advances to suppliers:				
– Third parties	2,133	3,598	–	–
– Related parties	33	86	–	–
	<u>2,166</u>	<u>3,684</u>	<u>–</u>	<u>–</u>
Prepayments	50	34	22	21
Total	<u>6,297</u>	<u>10,148</u>	<u>25</u>	<u>25</u>

(1) Non-trade receivables from related parties are unsecured, interest free and repayable on demand.

15. INVENTORIES

	Group	
	2024 \$'000	2023 \$'000
Consolidated statement of financial position		
Aquatic products and others	<u>2,140</u>	<u>908</u>
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	<u>25,815</u>	<u>41,043</u>
Inclusive of the following charge:		
– Allowance for write-down of inventories (Note 7)	<u>136</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

16. BORROWINGS

	Group	
	2024 \$'000	2023 \$'000
Current		
Bank loan ^(a)	560	581
Loan from immediate holding corporation ^(b)	540	–
Lease liabilities	70	27
	1,170	608
Non-current		
Lease liabilities	87	9
	1,257	617

(a) *Security granted*

The bank loan of RMB3,000,000 (or \$560,000) (2023: RMB3,000,000 (or \$581,000)) at interest rate of 3.90% (2023: 4.15%) per annum was obtained from China Construction Bank under the personal guarantee of a director. The bank loan has been renewed for one year in April 2024 at an interest rate of 3.95% per annum and is due for payment on 18 April 2025.

(b) The loan from immediate holding corporation, SunMoon Global Pte. Ltd. of US\$400,000 (equivalent to \$540,000) is interest free, unsecured and repayable on demand.

(c) *A reconciliation of liabilities arising from financing activities is as follows:*

	1 April 2023 \$'000	Principal and interest payments \$'000	Non-cash changes				31 March 2024 \$'000
			Addition \$000	Disposal \$000	Interest expenses \$'000	Currency translation difference \$'000	
Bank loan	581	(22)	–	–	22	(21)	560
Loan from immediate holding corporation	–	540	–	–	–	–	540
Lease liabilities	36	(65)	212	(34)	8	–	157
Total	617	453	212	(34)	30	(21)	1,257

	1 April 2022 \$'000	Principal and interest payments \$'000	Non-cash changes			31 March 2023 \$'000
			Addition \$000	Interest expenses \$'000	Currency translation difference \$'000	
Bank loan	640	(26)	–	26	(59)	581
Lease liabilities	75	(88)	50	4	(5)	36
Total	715	(114)	50	30	(64)	617

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade payables				
– Third parties	1,092	2,862	–	–
– Related parties	–	25	–	–
	1,092	2,887	–	–
Non-trade payables				
– Third parties	198	744	30	72
– Related parties ⁽¹⁾	–	122	–	–
	198	866	30	72
Accrued operating expenses	449	565	273	429
Total trade and other payables carried at amortised cost	1,739	4,318	303	501
Deposit received for placement of shares (Note 19)	–	862	–	862
Advances from customers:				
– Third parties	264	1,763	–	–
– Related parties	–	13	–	–
	264	1,776	–	862
Total	2,003	6,956	303	1,363

(1) As of 31 March 2023, other payables to related parties are unsecured, interest free and repayable on demand.

18. LEASES

Nature of the Group's leasing activities

Plant and machineries

The Group leases office spaces for the purpose of back-office operations in the People's Republic of China and Singapore.

Office equipment

(a) *Carrying amounts of right-of-use assets classified within plant and equipment*

	2024 \$'000	2023 \$'000
Plant and machineries	153	33

(b) *Amounts recognised in profit or loss*

	2024 \$'000	2023 \$'000
Depreciation of right-of-use assets: – Plant and machineries	58	82
Interest expenses on lease liabilities (Note 7)	8	4

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

18. LEASES (CONTINUED)

(c) *Lease expense not capitalised in lease liabilities*

	2024 \$'000	2023 \$'000
Rental expenses – short-term leases (Note 7)	<u>5</u>	<u>28</u>

(d) The Group has total cash outflows for leases of \$70,000 (2023: \$116,000).

(e) Addition of ROU assets during the financial year is \$212,000 (2023: \$50,000).

(f) *Extension options*

The leases for certain plant and machineries contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

19. SHARE CAPITAL

	Group and Company			
	2024 '000	2023 '000	2024 \$'000	2023 \$'000
	Number of ordinary shares			
Issued and fully paid				
Balance at the beginning of financial year	784,635	784,635	141,887	141,887
Issuance of placement shares	125,000	–	2,875	–
Balance at the end of financial year	<u>909,635</u>	<u>784,635</u>	<u>144,762</u>	<u>141,887</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares (except treasury shares) carry one vote per share and carry a right to dividends as and when declared by the Company.

On 16 May 2023, the Company issued 125,000,000 placement shares to Champion Financial (Hong Kong) Limited (the "Investor") which increased the Company's share capital by \$2,875,000 comprised deposit received from the Investor of \$862,000 as at 31 March 2023 (Note 17) and remaining cash consideration of \$2,013,000.

The newly issued shares rank pari passu in all aspects with the previously issued shares.

20. OTHER RESERVES

Other reserves comprise the following:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Capital reduction reserve	18,384	18,384	18,384	18,384
Foreign currency translation reserve	(2,205)	(1,988)	–	–
Treasury shares	(299)	(299)	(299)	(299)
	<u>15,880</u>	<u>16,097</u>	<u>18,085</u>	<u>18,085</u>

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

20. OTHER RESERVES (CONTINUED)

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.

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.

Treasury shares

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

The Company acquired 6,362,798 shares in the Company through purchases on the Singapore Exchange during the financial year ended 31 March 2019. The amount paid to acquire the shares was \$299,000 and this was presented as a component within shareholders' equity.

21. EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings/(loss) per share are calculated by dividing net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2024	2023
Net profit/(loss) attributable to equity holders of the Company (\$'000)	<u>28</u>	<u>(1,996)</u>
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000) ⁽¹⁾	<u>887,904</u>	<u>778,273</u>
Basic and diluted earnings/(loss) per shares (cents)	<u>0.003</u>	<u>(0.26)</u>

(1) As at 31 March 2024 and 2023, the number of issued shares excludes 6,362,798 treasury shares.

There were no dilutive potential ordinary shares during the financial years ended 31 March 2024 and 2023. Accordingly, the basic and diluted earnings/(loss) per share are the same.

22. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Directors (the chief operating decision maker). A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group is engaged in the sales of fruits, vegetables, seafood, meat, aqua-food and agri-food related products and including any other ancillary products globally. The management has determined all these products are reported together as one segment as these products have the same nature and economic characteristics. Hence, there are no other reportable segments to be presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

22. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group operates in several geographical areas. Revenue is based on the region in which the customers are located. Non-current assets comprise of the plant and equipment as presented in the statement of financial position of the Group. Non-current assets are shown by the geographical area in which the assets are located.

	Revenue		Non-current assets	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASEAN	1,528	4,270	208	43
People's Republic of China	25,533	38,098	-	-
	27,061	42,368	208	43

Revenue of approximately \$22,693,000 (2023: \$25,368,000) is derived from 4 (2023: 4) customers. Revenue from these external third-party customers individually constitutes more than 5% of total revenue for both financial years.

23. 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:

(a) *Sales and purchases of goods and services*

	Group	
	2024 \$'000	2023 \$'000
Companies related to the ultimate holding corporation		
Sales of goods	8	93
Purchases	(9)	(210)
Service received from	(3)	(70)
Service provided to	4	287
Interest free loan provided by	(540)	-
Related parties		
Sales of goods	-	49

Related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

Outstanding balances at 31 March 2024 and 2023, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Note 14 and Note 17 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

23. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Compensation of key management personnel

The remuneration of key management personnel of the Group during the financial year is as follows:

	Group	
	2024 \$'000	2023 \$'000
Directors' fees (Note 6)	144	147
Wages and salaries	578	590
Employer's contribution to defined contribution plans, including Central Provident Fund	56	84
	634	674

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group including Executive Directors.

24. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's and the Company's activities expose them to credit risk, foreign currency risk, interest rate risk and liquidity risk. 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 risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and the Company are bank deposits and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history and obtaining cash deposits where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Cash and cash equivalents are placed with banks and financial institutions with high credit-ratings assigned by international credit rating agencies. The cash and cash equivalents are measured on 12-month expected credit losses and subject to immaterial credit loss.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, default in payments is at least one year overdue and/or legal enforcement action undertaken by the Group for recovery against the debtor are considered evidence that the debtor is not-performing (“non-performing receivable”). In such instances, management measured the expected credit loss of the non-performing receivable at its maximum exposure to the Group at reporting date.

Trade receivables that are other than non-performing are grouped by management based on similar credit risk characteristics and days past due; and a provision matrix was used to measure the lifetime expected credit loss. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The loss allowance rates are reviewed on a regular basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as default if the counterparty fails to make contractual payments within 180 days when they fall due. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The movement in credit loss allowance of trade receivables is as follows:

	Group	
	Trade receivables	
	2024	2023
	\$'000	\$'000
At the beginning of financial year	1,359	1,729
Write off loss allowance	–	(1,629)
Amounts recognised in profit or loss ⁽¹⁾		
– Loss allowance recognised (Note 6)	154	1,388
– Reversal of loss allowance (Note 6)	(930)	–
	(776)	1,388
Currency translation differences	(31)	(129)
At the end of financial year (Note 14)	552	1,359

(1) During the financial year ended 31 March 2024, the Group recognised additional loss allowance of \$154,000 (2023: 1,388,000) for credit-impaired trade receivables in accordance with the Group’s credit risk policy. In addition, the Group has reversed loss allowance of \$930,000 (2023: \$Nil) in relation to a trade receivable transferred to a strategic business partner.

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

People’s Republic of China:

	Current	Past due	Past due	Past due	More than	Total
2024	\$'000	0 to 30 days	31 to 60 days	61 to 90 days	90 days	\$'000
		\$'000	\$'000	\$'000	past due	
					\$'000	\$'000
Gross carrying amount	–	2,317	40	328	264	2,949
Loss allowance	–	–	–	–	(154)	(154)
Net amount	–	2,317	40	328	110	2,795

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) *Credit risk (continued)*

Other geographical areas:

	Current \$'000	Past due 0 to 30 days \$'000	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	More than 90 days past due \$'000	Total \$'000
2024						
Gross carrying amount	1	291	-	-	931	1,223
Loss allowance	-	-	-	-	(399)	(399)
Net amount	1	291	-	-	532	824

People's Republic of China:

	Current \$'000	Past due 0 to 30 days \$'000	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	More than 90 days past due \$'000	Total \$'000
2023						
Gross carrying amount	-	2,242	1,520	346	1,347	5,455
Loss allowance	-	-	-	-	(960)	(960)
Net amount	-	2,242	1,520	346	387	4,495

Other geographical areas:

	Current \$'000	Past due 0 to 30 days \$'000	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	More than 90 days past due \$'000	Total \$'000
2023						
Gross carrying amount	-	-	-	14	1,472	1,486
Loss allowance	-	-	-	-	(399)	(399)
Net amount	-	-	-	14	1,072	1,087

Excessive risk concentration

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

	Group	
	2024 \$'000	2023 \$'000
ASEAN	824	1,088
People's Republic of China	2,795	4,494
	3,619	5,582

The Group has significant concentration of credit risk in respect of trade receivables from third parties. The top 5 customers accounted for in aggregate approximately 87% (2023: 86%) of the total trade receivables as at 31 March 2024. The Group has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group. The Group transacts business in various foreign currencies and therefore is exposed to foreign exchange risk mainly from United States Dollar ("USD").

The Company has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Exposure to foreign currency risk is monitored on an ongoing basis in accordance with the Group's risk management policies to ensure that the net exposure is at an acceptable level.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	RMB \$'000	Others \$'000	Total \$'000
Group					
2024					
Financial assets					
Trade and other receivables (Note 14)	59	793	3,204	-	4,056
Cash and cash equivalents (Note 13)	122	186	2,261	2	2,571
	<u>181</u>	<u>979</u>	<u>5,465</u>	<u>2</u>	<u>6,627</u>
Financial liabilities					
Trade and other payables (Note 17)	(396)	(751)	(583)	(9)	(1,739)
Borrowings (Note 16)	(157)	-	(1,100)	-	(1,257)
	<u>(553)</u>	<u>(751)</u>	<u>(1,683)</u>	<u>(9)</u>	<u>(2,996)</u>
Net financial (liabilities)/assets	<u>(372)</u>	<u>228</u>	<u>3,782</u>	<u>(7)</u>	<u>3,631</u>
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies	<u>-</u>	<u>228</u>	<u>-</u>	<u>(7)</u>	<u>221</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Foreign currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:
(continued)

	SGD \$'000	USD \$'000	RMB \$'000	Others \$'000	Total \$'000
Group					
2023					
Financial assets					
Trade and other receivables (Note 14)	8	913	5,388	–	6,309
Cash and cash equivalents (Note 13)	85	391	1,156	2	1,634
	<u>93</u>	<u>1,304</u>	<u>6,544</u>	<u>2</u>	<u>7,943</u>
Financial liabilities					
Trade and other payables (Note 17)	(746)	(948)	(2,615)	(9)	(4,318)
Borrowings (Note 16)	(36)	–	(581)	–	(617)
	<u>(782)</u>	<u>(948)</u>	<u>(3,196)</u>	<u>(9)</u>	<u>(4,935)</u>
Net financial (liabilities)/assets	<u>(689)</u>	<u>356</u>	<u>3,348</u>	<u>(7)</u>	<u>3,008</u>
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies	<u>–</u>	<u>356</u>	<u>–</u>	<u>(7)</u>	<u>349</u>

The Company's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	RMB \$'000	Total \$'000
Company				
2024				
Financial asset				
Cash and cash equivalents (Note 13)	<u>68</u>	<u>2</u>	<u>–*</u>	<u>70</u>
Financial liability				
Trade and other payables (Note 17)	<u>(303)</u>	<u>–</u>	<u>–</u>	<u>(303)</u>
Net financial (liabilities)/assets	<u>(235)</u>	<u>2</u>	<u>–*</u>	<u>(233)</u>
Currency exposure of financial assets net of those denominated in the Company's functional currency	<u>–</u>	<u>2</u>	<u>–</u>	<u>2</u>
Company				
2023				
Financial asset				
Cash and cash equivalents (Note 13)	<u>44</u>	<u>56</u>	<u>–*</u>	<u>100</u>
Financial liability				
Trade and other payables (Note 17)	<u>(501)</u>	<u>–</u>	<u>–</u>	<u>(501)</u>
Net financial (liabilities)/assets	<u>(457)</u>	<u>56</u>	<u>–*</u>	<u>(401)</u>
Currency exposure of financial assets net of those denominated in the Company's functional currency	<u>–</u>	<u>56</u>	<u>–</u>	<u>56</u>

* Denotes less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Foreign currency risk (continued)

Foreign currency sensitivity analysis

If the USD changes against SGD by 4% (2023: 7%) with all other variables including tax rate being held constant, the effects arising from the net financial assets/liabilities that are exposed to currency risk will be as follows:

	Profit before tax (Decrease)/increase	
	2024 \$'000	2023 \$'000
Group		
USD/SGD		
– Strengthened 4% (2023: 7%)	9	25
– Weakened 4% (2023: 7%)	(9)	(25)
Company		
USD/SGD		
– Strengthened 4% (2023: 7%)	–*	1
– Weakened 4% (2023: 7%)	–*	(1)

* Denotes less than \$1,000

(c) Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risk is managed by matching the payment and receipt cycles.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of the overall liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year \$'000	Between 1 and 2 years \$'000
	Group	
2024		
Financial liabilities		
Trade and other payables (Note 17)	1,739	–
Borrowings (Note 16)	1,170	87
	2,909	87
2023		
Financial liabilities		
Trade and other payables (Note 17)	4,318	–
Borrowings (Note 16)	608	9
	4,926	9

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) *Liquidity risk (continued)*

	Less than 1 year \$'000	Between 1 and 2 years \$'000
Company		
2024		
Financial liability		
Trade and other payables (Note 17)	303	-
2023		
Financial liability		
Trade and other payables (Note 17)	501	-

(d) *Interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets and liabilities at variable rates, the Group's income is substantially independent of changes in market interest rates.

(e) *Fair value measurements*

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

(f) *Financial instruments by category*

The carrying amount of the different categories of financial instruments are as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial assets, at amortised cost	6,627	7,943	70	100
Financial liabilities, at amortised cost	2,996	4,935	303	501

25. 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 while maximising the return to stakeholders through the optimization of the debt and equity balance. The Group and the Company's overall strategy remains unchanged from prior year.

The capital structure of the Group and the Company consist of equity attributable to owners of the Company, comprising issued capital, reserves and retained earnings.

As at 31 March 2024 and 2023, the Group and the Company are not exposed to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

26. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2024 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)
Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Statements: Disclosures: Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements ("SFA") and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

The Group does not expect any significant impact arising from applying these amendments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

26. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Amendments to SFRS(I) 16 Leases: Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Group does not expect any significant impact arising from applying these amendments.

27. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors of SunMoon Food Company Limited on 12 July 2024.

STATISTICS OF SHAREHOLDINGS

AS AT 24 JUNE 2024

Issued and Fully Paid-Up Capital (including Treasury Shares)	:	142,383,483.00
Issued and Fully Paid-Up Capital (excluding Treasury Shares)	:	142,084,430.77
Number of Issued Shares (excluding Treasury Shares)	:	903,272,573
Number/Percentage of Treasury Shares	:	6,362,798 (0.70%)
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	4,710	37.27	125,581	0.01
100 – 1,000	3,912	30.95	1,850,544	0.20
1,001 – 10,000	2,845	22.51	11,346,084	1.26
10,001 – 1,000,000	1,142	9.04	116,051,023	12.85
1,000,001 & ABOVE	29	0.23	773,899,341	85.68
TOTAL	12,638	100.00	903,272,573	100.00

TOP TWENTY SHAREHOLDERS		NO. OF SHARES	%
1	SUNMOON GLOBAL PTE. LTD.	465,850,989	51.57
2	CHAMPION FINANCIAL (HONG KONG) LIMITED	125,000,000	13.84
3	MAYBANK SECURITIES PTE. LTD.	27,387,635	3.03
4	TOH LAI KENG	27,000,000	2.99
5	UOB KAY HIAN PTE LTD	26,977,086	2.99
6	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	20,751,500	2.30
7	IFAST FINANCIAL PTE LTD	15,723,475	1.74
8	PRIMA PORTFOLIO PTE LTD	8,583,700	0.95
9	OCBC NOMINEES SINGAPORE PTE LTD	7,497,710	0.83
10	TAN KAH HENG (CHEN JIAXING)	7,056,500	0.78
11	PHILLIP SECURITIES PTE LTD	5,725,511	0.63
12	DBS NOMINEES PTE LTD	5,271,843	0.58
13	LAI KHAI MENG (LI QIMING)	5,027,200	0.56
14	OCBC SECURITIES PRIVATE LTD	3,941,180	0.44
15	LEE YONG CHOI	2,275,000	0.25
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,215,742	0.25
17	AW BOON LEONG (HU WENLONG)	1,877,800	0.21
18	ANG PANG CHEE	1,740,000	0.19
19	LEE KAY CHAI	1,720,000	0.19
20	ZHU XILIN	1,536,970	0.17
		763,159,841	84.49

SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST	DEEMED INTEREST
1 SUNMOON GLOBAL PTE. LTD.	465,850,989	–
2 SONG XIAOJUN	14,780,000	125,000,000
3 CHAMPION FINANCIAL (HONG KONG) LIMITED	125,000,000	–

On the basis of the information available to the Company, approximately 33% of the equity securities of the Company are held in the hands of public.

This is in compliance with the 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 public.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

Details	Name of Director		
	Ms Ng Bie Tjin @ Djuniarti Intan	Mr Zhang Ye	Mr Cen Jian
Date of Appointment	31 August 2017	31 December 2018	21 August 2020
Date of last re-appointment (if applicable)	29 September 2022	29 September 2021	31 July 2023
Age	58	52	50
Country of principal residence	Singapore	China	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After reviewing the recommendation of the Nominating Committee and Ms Intan's qualifications and experience, the Board has approved that Ms Intan Ng 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 an Executive Director.	After reviewing the recommendation of the Nominating Committee and Mr Cen Jian's qualifications and experience, the Board has approved that Mr Cen Jian stands for re-election as an Executive Director.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	1. Member of the Board of Directors 2. Chairperson of Audit and Risk Committee 3. Chairperson of Nominating Committee 4. Member of Remuneration Committee	1. Member of Board of Directors 2. Member of Nominating Committee 3. Chief Executive Officer	1. 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
Conflict of interests (including any competing business)	No	No	No
Working experience and occupation(s) during the past 10 years	1. January 1994 to November 2014 – Executive Director of Finance in Datapulse Technology Limited 2. January 2014 to Oct 2023 – Independent Director of Aspial Corporation Limited 3. May 2024 – Present Independent Director of Aspial Lifestyle Limited	Chief Executive Officer, Board Chairman of Yiguo Group and Board Chairman of Enmore Group	1. Year 2016 to 2019 – General Manager of Hainan Airline Cold Chain Holding 2. Year 2019 to present – Executive Director of SunMoon Food Company Limited and General Manager of Shanghai SunMoon Supply Chain Management Co., Ltd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Ms Ng Bie Tjin @ Djuniarti Intan	Mr Zhang Ye	Mr Cen Jian
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
Shareholding interest in the listed issuer and its subsidiaries?	Held direct interest of 120,000 or 0.013% of the Ordinary Shares in the Company	Deemed interest of 465,850,989 or 51.57% of the Ordinary Shares held by SunMoon Global Pte. Ltd. in the Company	No
Other Directorship Past (for the last 5 years)	Aspial Corporation Limited	Nil	SunMoon Distribution & Trading Pte. Ltd.
Other Directorship Present	1. Aspial Lifestyle Limited 2. Uniseraya Holdings Pte Ltd	1. SunMoon Global Pte. Ltd. 2. Enmore Group Pte. Ltd. 3. Shanghai Yiguo E-Commerce Co., Ltd. 4. Shanghai Enmore Technology Holdings Co., Ltd	1. Shanghai SunMoon Supply Chain Management Co., Ltd.
(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/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	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/she was a director or an equivalent person or a key executive, at the time when he/she 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/she 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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Ms Ng Bie Tjin @ Djuniarti Intan	Mr Zhang Ye	Mr Cen Jian
(c) Whether there is any unsatisfied judgment against him/her?	No	No	No
(d) Whether he/she 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/she is aware) for such purpose?	No	No	No
(e) Whether he/she 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/she is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him/her 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 him/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on him/her part?	No	No	No
(g) Whether he/she 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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Ms Ng Bie Tjin @ Djuniarti Intan	Mr Zhang Ye	Mr Cen Jian
(h) Whether he/she 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
(i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No	No
(j) Whether he/she has ever, to his/her 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
(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
(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
(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/she was so concerned with the entity or business trust?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Director		
	Ms Ng Bie Tjin @ Djuniarti Intan	Mr Zhang Ye	Mr Cen Jian
(k) Whether he/she 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
Any prior experience as a director of a listed company?	Yes	Yes	Yes
If Yes, Please provide full details	1. Datapulse Technology Limited 2. Aspial Corporation Limited 3. Aspial Lifestyle Limited	Mr Zhang Ye has been acting as the Executive Director of the Company since 31 December 2018.	Mr Cen Jian has been acting as the Executive Director of the Company since 21 August 2020.
If No, Please provide the details of any training undertaken in the roles and responsibilities of a director of a listed company	–	–	–

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of SUNMOON FOOD COMPANY LIMITED will be held at Capri Changi City, meeting room Pod 1, 3 Changi Business Park Central 1, Singapore 486037 on Tuesday, 30 July 2024 at 2.00 p.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 March 2024 together with the Auditor’s Report.

Resolution 1
2. To approve the payment of Directors’ Fees of S\$144,250.00 for the financial year ended 31 March 2024. (2023: S\$147,187.00)

Resolution 2
3. To re-elect the following Directors who are retiring by rotation in accordance with Regulation 104 of the Company’s Constitution and who, being eligible, offers themselves for re-election as the Directors of the Company. *[See Explanatory Note (i)]*
 - (a) Mr Zhang Ye **Resolution 3**
 - (b) Ms Ng Bie Tjin @ Djuniarti Intan **Resolution 4**
 - (c) Mr Cen Jian **Resolution 5**
4. To re-appoint CLA Global TS Public Accounting Corporation as Independent Auditor of the Company and to authorise the Directors to fix its remuneration.

Resolution 6

AS SPECIAL BUSINESS

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

5. Authority to issue and allot shares

That pursuant to Section 161 of the Companies Act 1967 (“**Companies Act**”), authority be given to the Directors of the Company to:

- (a) (i) issue shares of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) 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; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (a) the aggregate number of Shares to be issued pursuant to this Resolution (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) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) 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) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company’s Constitution; and
- (d) 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 Annual General Meeting (“**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 (ii)]

Resolution 7

6. The Proposed Share Buyback Mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (“**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company not exceeding in aggregate the Maximum Limit (as hereafter defined), at such prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:–
- (i) market purchase(s) (each a “**Market Purchase**”) on 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**”);
- (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 (“**AGM**”) of the Company is held or is required by law to be held;

NOTICE OF ANNUAL GENERAL MEETING

- (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 of the next AGM of the Company is held or is required by law to be held, whichever is the earlier; and

- (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 (iii)]

Resolution 8

NOTICE OF ANNUAL GENERAL MEETING

7. 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 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 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;
- (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 IPT Mandate, with such modifications thereto (if any) as they or he may think fit in the interests of the Company.

[See Explanatory Note (iv)]

Resolution 9

By Order of the Board

Chia Lay Beng
Company Secretary

Date: 15 July 2024

Explanatory Notes

- (i)
 - a. Mr Zhang Ye will, upon re-election, remain as the Executive Director and Chief Executive Officer of the Company. Please refer to pages 95 to 99 of the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
 - b. Ms Ng Bie Tjin@ Djuniarti Intan will, upon re-election, remain as the Independent Non-Executive Director of the Company. Please refer to pages 95 to 99 of the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
 - c. Mr Cen Jian will, upon re-election, remain as the Executive Director of the Company. Please refer to pages 95 to 99 of the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- (ii) The Ordinary Resolution 7 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.

NOTICE OF ANNUAL GENERAL MEETING

- (iii) The Ordinary Resolution 8 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 2024 are set out in greater detail in the Addendum.
- (iv) The Ordinary Resolution 9 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.

Notes:

1. Participation

The AGM is being convened, and will be held, in a wholly physical format, at Capri Changi City, meeting room Pod 1, 3 Changi Business Park Central 1, Singapore 486037 on Tuesday, 30 July 2024 at 2.00 p.m. (Singapore time). There will be no option for shareholders to participate virtually. Printed copies of this Notice of AGM, the Company's annual report for the financial year ended 31 March 2024 ("**Annual Report 2024**") and Proxy Form will not be despatched to members. Instead, this Notice of AGM, the Company's Annual Report 2024 and Proxy Form will be made available via publication on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and on the Company's corporate website at the URL <https://www.sunmoonfood.com/>.

Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

Shareholders are encouraged to submit questions in advance to the Company via main@zicoholdings.com. When sending in your questions, please provide the following details for verification purpose:

- (i) Your full name;
- (ii) Your full NRIC/Passport/Company Number;
- (iii) Your contact number and email address; and
- (iv) The manner in which you hold shares in the Company (e.g. via CDP, CPF and/or SRS).

The Company will respond to questions at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

2. Appointment of Proxy(ies)

A Shareholder entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. 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. A proxy need not be a Shareholder.

A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.

The instrument appointing a proxy(ies) must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised

The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

- (a) if in hard copy by post, be lodged at the registered office of the Company, at 1 Scotts Road, #21-07 Shaw Centre, Singapore 228208; or
- (b) if by email, be received by main@zicoholdings.com.

in either case, no later than 2.00 p.m. on 27 July 2024 seventy-two (72) hours before the time appointed for holding the AGM.

NOTICE OF ANNUAL GENERAL MEETING

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

Investors who hold shares through Relevant Intermediaries*, including under the Central Provident Fund Investment Scheme (“**CPF Investors**”) or the Supplementary Retirement Scheme (“**SRS Investors**”), and who wish to appoint the Chairman of the Meeting as their proxy should approach their respective Relevant Intermediaries*, including CPF Agent Banks or SRS Operators, to submit their votes by 2.00 p.m. on 19 July 2024 being not less than seven (7) working days before the time appointed for holding the AGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. Documents for the AGM

The Notice of AGM and accompanying proxy form will be sent to shareholders solely by electronic means via (i) the SGX’s website at <https://www.sgx.com/securities/company-announcements>; and (ii) the Company’s URL <https://www.sunmoonfood.com/>. There will NOT be printed copies of these documents sent to shareholders. The Annual Report 2024 is also available on (i) the SGX’s website at <https://www.sgx.com/securities/company-announcements>; and (ii) the Company’s URL <https://www.sunmoonfood.com/>.

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.

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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.
3. There will be no option for shareholders to participate virtually.

I/We _____ (Name)

_____ (NRIC/Passport No./Co. Registration. No.)

of _____ (Address)

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 Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened at Capri Changi City, meeting room Pod 1, 3 Changi Business Park Central 1, Singapore 486037 on Tuesday, 30 July 2024 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	No. of Votes 'For'*	No. of Votes 'Against'*	No. of Votes 'Abstain'*
1	Ordinary Business Adoption of Directors' Statement, Audited Financial Statements for the financial year ended 31 March 2024 and the Auditor's Report			
2	Approval of Directors' Fees of S\$144,250.00 for the financial year ended 31 March 2024			
3	Re-election of Mr Zhang Ye as Director retiring under Regulation 104 of the Company's Constitution			
4	Re-election of Ms Ng Bie Tjin @ Djuniarti Intan as Director retiring under Regulation 104 of the Company's Constitution			
5	Re-election of Mr Cen Jian as Director retiring under Regulation 104 of the Company's Constitution			
6	Re-appointment of CLA Global TS Public Accounting Corporation as independent auditor of the Company and to authorise the Directors to fix its remuneration			
7	Special Business Authority to allot and issue shares			
8	Approval on the Proposed Share Buyback Mandate			
9	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, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A shareholder who is not a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. 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 shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
4. A shareholder can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory. A proxy need not be a shareholder.
5. The instrument appointing a proxy(ies) must be deposited at the registered office of the Company at 1 Scotts Road, #21-07 Shaw Centre Singapore 228208 by mail or email to main@zicoholdings.com in either case, by 2.00 p.m. on 27 July 2024 being not less than seventy-two (72) hours before the time appointed for holding the AGM.

A shareholder of the Company who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Shareholders are strongly encouraged to submit completed Proxy Forms via email to the email address provided above.

6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing and where the instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy(ies) is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. 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 Meeting, in accordance with Section 179 of the Companies Act of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it was an individual.
8. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and wishes to appoint the Chairman of the Meeting as their proxy should approach their respective CPF and/or SRS Approved Nominees to submit their votes at least seven (7) working days before the Meeting (i.e. by 2.00 p.m. on 19 July 2024).

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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) accept(s) and agree(s) to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 July 2024.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr James Prideaux
Chairman/Lead Independent Director
Mr Zhang Ye
Ms Ng Bie Tjin @Djuniarti Intan
Mr Yuen Pei Lur, Perry
Mr Cen Jian
Ms Liu YuanYuan
Mr Wang Bo
Mr Song XiaoJun

AUDIT AND RISK COMMITTEE

Ms Ng Bie Tjin @Djuniarti Intan
Chairperson
Mr James Prideaux
Mr Yuen Pei Lur, Perry
Mr Wang Bo

REMUNERATION COMMITTEE

Mr Yuen Pei Lur, Perry
Chairman
Mr James Prideaux
Ms Ng Bie Tjin @Djuniarti Intan
Mr Song XiaoJun

NOMINATING COMMITTEE

Ms Ng Bie Tjin @Djuniarti Intan
Chairperson
Mr James Prideaux
Mr Yuen Pei Lur, Perry
Mr Zhang Ye
Ms Liu YuanYuan

COMPANY SECRETARY

Ms Chia Lay Beng

REGISTERED OFFICE

1 Scotts Road
#21-07 Shaw Centre
Singapore 228208
Tel: 6335 6800
Website: www.sunmoonfood.com

COMPANY REGISTRATION NO.

198304656K

SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road #06-03
Robinson 77
Singapore 068896

EXTERNAL AUDITOR

CLA Global TS Public Accounting Corporation
80 Robinson Road, #25-00
Singapore 068898
Director in charge: Ms Meriana Ang Mei Ling
(Appointed since financial year ended
31 March 2022)

PRINCIPAL BANKER

DBS Bank Ltd, Singapore
Bank of China, Shanghai, China
Shanghai Pudong Development Bank,
Shanghai, China
China Construction Bank





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 HEADQUARTER SUNMOON FOOD
COMPANY LIMITED**

51 Changi Business Park Central 2
#03-06 The Signature
Singapore 486066
Tel: (65) 6779 5688
Fax: (65) 6777 3960

**CHINA HEADQUARTER SUNMOON FOOD
(SHANGHAI) CO., LTD**

Level 4, Building C
No. 999 Jin Zhong Road
Changning District
Shanghai 200335
China
Tel: (86) 21 5118 7610

