SunMoon Food Company Limited
(198304656K)

Third Quarter Financial Statements Announcement for the Period Ended 31-Dec-2018

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

Note : The financial results for the 3rd Quarter and the period ended 31 December 2017 ("YTD") was restated from the result annonuced on 8 Feburary 2018 with respect to the prior period adjustments as stated in Note 30 to the Annual Report 2017/18.

n.m - "not meaningful"

	Group 3rd Quarter Ended			Group YTD		
	31-Dec-18	31-Dec-17 Restated	Change	31-Dec-18	31-Dec-17 Restated	Change
	S$ '000	S$ '000	%	S$ '000	S$ '000	%
Continuing operations						
Revenue	20,326	10,799	88%	50,513	26,887	88%
Cost of sales	(20,782)	(10,843)	92%	(52,062)	(25,739)	102%
Gross (loss)/profit	**(456)**	**(44)**	936%	**(1,549)**	**1,148**	n.m
Other income	16	39	-59%	387	69	461%
Selling & Distribution costs	(441)	(477)	-8%	(1,311)	(1,395)	-6%
Administrative expenses	(834)	(752)	11%	(2,265)	(2,615)	-13%
Other expenses	(138)	(52)	165%	-	(260)	-100%
Finance costs	(1)	(1)	n.m	(3)	(3)	n.m
Loss before income tax	**(1,854)**	**(1,287)**	44%	**(4,741)**	**(3,056)**	55%
Income tax expense	-	-		-	-	
Loss from continuing operations for the period,net of income tax	**(1,854)**	**(1,287)**	44%	**(4,741)**	**(3,056)**	55%
Discontinued operations						
Profit from discontinued operations for the period,net of income tax	**-**	**115**	-100%	**1,395**	**4,132**	-66%
(Loss)/Profit for the period	**(1,854)**	**(1,172)**	58%	**(3,346)**	**1,076**	n.m
Other comprehensive income :						
Items that may be reclassified subsequently to profit or loss:						
Reclassification to profit or loss on disposal of subsidiaries						
Foreign Exchange Translation Reserve	-	247	-100%	(1,544)	(1,211)	27%
Exchange difference arising from transalation of foreign operations	(19)	36	n.m	(466)	80	n.m
Total comprehensive loss for the period	**(1,873)**	**(889)**	111%	**(5,356)**	**(55)**	9638%
Loss from continuing operations for the period included the following						
Depreciation of property, plant & equipment	(11)	(17)		(39)	(50)	
Amortisation of intangible assets	(12)	(12)		(37)	(37)	
Interest expenses	(1)	(1)		(3)	(3)	
Deposit written off	(10)	-		(10)	-	
Inventory written off	-	(147)		(147)	(147)	
Allowance for impairment loss on trade receivables	(187)	-		(187)	-	
Allowance for obsolete stock	(10)	-		(10)	-	
Profit from discontinued operations for the period included the following						
(Loss)/Gain on disposal of subsidiaries	-	(247)		1,544	3,464	
Income tax refund	-	-		-	337	
Other income included:						
- Government grant	-	2		58	4	
- Interest income	5	7		34	16	
- Foreign exchange (loss)/gain	-	-		269	-	
- Miscellanous income	5	-		8	7	
- Licensing income	-	24		-	24	
- Franchise income	6	6		18	18	
	16	39		387	69	

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

		Group		Company	
		As at 31-Dec-18	As at 31-Mar-18	As at 31-Dec-18	As at 31-Mar-18
		$'000	$'000	$'000	$'000
Non-current assets					
Subsidiaries		-	-	25,673	18,450
Available-for-sale equity investments	(Note 1)	-	-	-	-
Property, plant and equipment		91	113	-	-
Intangible assets		62	99	62	99
Total non-current assets		153	212	25,735	18,549
Current assets					
Cash and cash equivalents		4,073	11,363	50	9,136
Trade receivables		17,710	10,102	-	-
Other receivables		73	1,648	17	18
Deposits and prepayments		735	304	29	31
Inventories		454	4,453	-	-
Total current assets		23,045	27,870	96	9,185
Total assets		23,198	28,082	25,831	27,734
Equity attributable to equity holders of the Company					
Share capital		139,508	139,508	139,508	139,508
Other reserves		15,021	17,330	16,764	17,063
Accumulated losses		(145,304)	(141,958)	(131,193)	(129,989)
Total equity		9,225	14,880	25,079	26,582
Non-current liabilities					
Finance leases obligation		61	51	-	-
Financial liabilities arising from contingent issuance of shares	(Note 2)	-	-	-	-
Current liabilities					
Trade payables		12,483	10,969	-	-
Other payables and accruals		1,411	2,164	752	1,152
Finance leases obligation		18	18	-	-
Total current liabilities		13,912	13,151	752	1,152
Total liabilities		13,973	13,202	752	1,152
Total liabilities and equity		23,198	28,082	25,831	27,734

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

Amount repayable in one year or less, or on demand

($ '000)

	As At 31-Dec-18		As At 31-Mar-18	
	Secured	Unsecured	Secured	Unsecured
Bank loans	-	-	-	-

Details of any collateral

Nil.

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

	Group		Group	
	3rd Quarter Ended		YTD	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	$'000	$'000 Restated	$'000	$'000 Restated
Operating activities				
Loss before income tax from continuing operations	(1,854)	(1,287)	(4,741)	(3,056)
Profit from discontinued operations before tax	-	115	1,395	3,795
Adjustments for:				
Interest expense	1	1	3	3
Interest income	(5)	(7)	(34)	(16)
Depreciation of property, plant and equipment	11	17	39	50
Amortisation of intangible asset	12	12	37	37
Loss/ (gain) on disposal of subsidiaries	-	247	(1,544)	(3,464)
Trade receivables write off	-	-	-	35
Net unrealised foreign exchange gain	-	-	(269)	-
Allowance for impairment loss on trade receivables	187	-	187	-
Allowance for obsolete stock	10	-	10	-
Deposit written off	10	-	10	-
Inventories written off	-	147	147	147
Operating loss before working capital changes	(1,628)	(755)	(4,760)	(2,469)
Change in working capital:				
Trade and other receivables	(6,531)	5,990	(6,651)	1,672
Inventories	2,990	(1,654)	3,793	(2,153)
Trade and other payables	5,603	(3,810)	752	(1,424)
Cash generated from/(used in) operations	434	(229)	(6,866)	(4,374)
Income tax refund	-	-	-	337
Net cash generated from/(used) in operating activities	434	(229)	(6,866)	(4,037)
Investing activities				
Interest received	5	7	34	16
Purchase of office equipment	-	-	(1)	-
Proceeds from disposal of subsidiaries	-	-	-	4,897
Net cash generated from investing activities	5	7	33	4,913
Financing activities				
Interest paid	(1)	(1)	(3)	(3)
Repayment of finance lease	(2)	(4)	(2)	(12)
Purchase of treasury shares	(253)	-	(299)	-
Proceeds from issue of placement shares	-	-	-	15,000
Cash (used in)/generated from financing activities	(256)	(5)	(304)	14,985
Net increase/(decrease) in cash and cash equivalents	183	(227)	(7,137)	15,862
Cash and cash equivalents at beginning of the period	3,914	16,676	11,363	557
Effect of exchange rate fluctuations on cash and cash equivalents	(24)	36	(153)	66
Cash and cash equivalents at end of of the period	4,073	16,485	4,073	16,485

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

	Share capital	Capital reserve	Capital reduction reserve	Treasury shares	Foreign currency translation reserve	Revaluation reserve	General reserve	Reserve for contingent issuance of shares	Other reserves total	Reserve of disposal group classified as held for sales	Accumulated (losses)/profit	Total equity
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
GROUP												
Bal at 01/04/2018	**139,508**	-	18,384	-	267	-	-	(1,321)	**17,330**	**-**	**(141,958)**	**14,880**
Profit for the period	-	-	-	-	-	-	-	-	-	-	603	603
Other comprehensive loss												
Disposal of subsidiaries	-	-	-	-	(1,544)	-	-	-	(1,544)	-	-	(1,544)
Exchange differences arising from translation of foreign operations	-	-	-	-	73	-	-	-	73	-	-	73
Total comprehensive loss for the period	**-**	-	-	-	(1,471)	-	-	-	**(1,471)**	**-**	**603**	**(868)**
Bal at 30/06/2018	**139,508**	-	18,384		(1,204)	-	-	(1,321)	**15,859**	**-**	**(141,355)**	**14,012**
Loss for the period	-	-	-	-	-	-	-	-	**-**	-	(2,095)	(2,095)
Other comprehensive loss												
Exchange differences arising from translation of foreign operations	-	-	-	-	(520)	-	-	-	(520)	**-**	-	(520)
Total comprehensive loss for the period	-	-	-	-	(520)	-	-	-	**(520)**	**-**	**(2,095)**	**(2,615)**
Contributions by owners												
Purchase of treasury shares	**-**	-	-	(46)	-	-	-	-	(46)	**-**	-	**(46)**
Total contribution by owners	**-**	-	-	(46)	-	-	-	-	**(46)**	**-**	**-**	**(46)**
Bal at 30/09/2018	**139,508**	-	18,384	(46)	(1,724)	-	-	(1,321)	**15,293**	**-**	**(143,450)**	**11,351**
Loss for the period	-	-	-	-	-	-	-	-	**-**	-	(1,854)	(1,854)
Other comprehensive loss												
Exchange differences arising from translation of foreign operations	-	-	-	-	(19)	-	-	-	(19)	**-**	-	(19)
Total comprehensive loss for the period	-	-	-	-	(19)	-	-	-	**(19)**	**-**	**(1,854)**	**(1,873)**
Contributions by owners												
Purchase of treasury shares	**-**	-	-	(253)	-	-	-	-	(253)	**-**	-	(253)
Total contribution by owners	**-**	-	-	(253)	-	-	-	-	**(253)**	**-**	**-**	**(253)**
Bal at 31/12/2018	**139,508**	-	18,384	(299)	(1,743)	-	-	(1,321)	**15,021**	**-**	**(145,304)**	**9,225**
COMPANY												
Bal at 01/04/2018	**139,508**	-	18,384	-	-	-	-	(1,321)	**17,063**	-	**(129,989)**	**26,582**
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	(327)	(327)
Bal at 30/06/2018	**139,508**	-	18,384	-	-	-	-	(1,321)	**17,063**	-	**(130,316)**	**26,255**
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	-	**-**	(413)	**(413)**
Contributions by owners												
Purchase of treasury shares	-	-	-	(46)	-	-	-	-	(46)	**-**	-	(46)
Total contribution by owners	-	-	-	(46)	-	-	-	-	**(46)**	-	-	**(46)**
Bal at 30/09/2018	**139,508**	-	18,384	(46)	-	-	-	(1,321)	**17,017**	-	**(130,729)**	**25,796**
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	-	**-**	(464)	(464)
Contributions by owners												
Purchase of treasury shares	-	-	-	(253)	-	-	-	-	(253)	**-**	-	(253)
Total contribution by owners	-	-	-	(253)	-	-	-	-	**(253)**	-	-	**(253)**
Bal at 31/12/2018	**139,508**	-	18,384	(299)	-	-	-	(1,321)	**16,764**	-	**(131,193)**	**25,079**

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

	Share capital	Capital reserve	Capital reduction reserve	Treasury shares	Foreign currency translation reserve	Revaluation reserve	General reserve	Reserve for contingent issuance of shares	Other reserves total	Reserve of disposal group classified as held for sales	Accumulated (losses)/profit	Total equity
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
GROUP												
Bal at 01/04/2017, restated	**124,508**	944	18,384	-	593	-	232	-	**20,153**	**5,277**	**(149,255)**	**683**
Profit for the period	-	-	-	-	-	-	-	-	-	-	2,591	2,591
Other comprehensive loss												
Disposal of subsidiaries	-	(944)	-	-	5	-	(82)	-	(1,021)	(5,277)	5,505	(793)
Exchange differences arising from translation of foreign operations	-	-	-	-	26	-	-	-	26	-	-	26
Total comprehensive income for the period	**-**	(944)	-	-	31	-	(82)	-	**(995)**	**(5,277)**	**8,096**	**1,824**
Bal at 30/06/2017	**124,508**	-	18,384	-	624	-	150	-	**19,158**	**-**	**(141,159)**	**2,507**
Loss for the period	-	-	-	-	-	-	-	-	-	-	(343)	(343)
Other comprehensive loss												
Disposal of subsidiaries	-	-	-	-	(665)	-	-	-	(665)	-	-	(665)
Exchange differences arising from translation of foreign operations	-	-	-	-	18	-	-	-	18	-	-	18
Total comprehensive loss for the period	**-**	**-**	**-**	-	(647)	-	-	-	**(647)**	**-**	**(343)**	**(990)**
Contributions by owners												
Issuance of shares	15,000	-	-	-	-	-	-	-	**-**	-	-	15,000
Total contribution by owners	**15,000**	-	-	-	-	-	-	-	**-**	**-**	**-**	**15,000**
Bal at 30/09/2017	**139,508**	-	18,384	-	(23)	-	150	-	**18,511**	**-**	**(141,502)**	**16,517**
Loss for the period	-	-	-	-	-	-	-	-	-	-	(1,172)	(1,172)
Other comprehensive loss												
Disposal of subsidiaries	-	-	-	-	247	-	(150)	-	97	-	150	247
Exchange differences arising from translation of foreign operations	-	-	-	-	36	-	-	-	36	-	-	36
Total comprehensive loss for the period	**-**	-	-	-	283	-	(150)	-	**133**	**-**	**(1,022)**	**(889)**
Bal at 31/12/2017	**139,508**	-	18,384	-	260	-	-	-	**18,644**	**-**	**(142,524)**	**15,628**
COMPANY												
Bal at 01/04/2017, restated	**124,508**	**-**	18,384	-	-	-	-	-	**18,384**	**-**	**(135,542)**	**7,350**
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	**-**	3,773	**3,773**
Bal at 30/06/2017	**124,508**	**-**	18,384		-	-	-	-	**18,384**	**-**	**(131,769)**	**11,123**
Total comprehensive loss for the period	**-**	**-**	**-**	-	-	-	-	-	**-**	**-**	(1,177)	(1,177)
Contributions by owners												
Issuance of shares	15,000	**-**	**-**	-	-	-	-	-	**-**	**-**	**-**	15,000
Total contribution by owners	**15,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,000**
Bal at 30/09/2017	**139,508**	**-**	18,384	-	-	-	-	-	**18,384**	**-**	**(132,946)**	**24,946**
Total comprehensive loss for the period	**-**	**-**	**-**	-	-	-	-	-	**-**	**-**	(647)	(647)
Bal at 31/12/2017	**139,508**	**-**	18,384	-	-	-	-	-	**18,384**	**-**	**(133,593)**	**24,299**

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

As at 31 December 2018, the total number of ordinary shares issued by the Company was 719,724,783. There was no change from 31 March 2018.

No. 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of immediately preceding year.

Movements in the Company's issued and fully paid-up capital (excluding treasury shares) were as follows :

	No. of Shares
As at 01/04/2018	719,724,783
Purchase of treasury shares	(940,600)
As at 30/09/2018	718,784,183
Purchase of treasury shares	(5,422,198)
As at 31/12/2018	**713,361,985**
Total purchase of treasury shares to date	**6,362,798**

No. 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treaury shares at the end of current financial reported on.

None.

No. 1(d)(v) A statement showing all sales, transfer, disposal, cancellation and/or use of subsidairy holdings at the end of the current financial period reported on.

None.

No. 1(e) Notes to Financial Statements

Note 1 - Available-for-sale equity

Available-for-sale equity investments of S$752,000 pertains to investment in Harvest Seasons Pte Ltd which has been fully impaired as at 31 March 2018. The investment's recoverable amount have being assesed to be "nil" as of 31 December 2018.

Note 2 - Financial liabilities arising from contingent issuance of shares

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

No.1 Net assets subject to bank collaterals and guarantees, and contingent liabilities

Nil.

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

The figures have not been audited or reviewed by the Company's auditor.

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

Not applicable.

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

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

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

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

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

	Group 3rd Quarter Ended (Continuing operation)		Group 3rd Quarter Ended (Including discontinued operation)		Group YTD (Continuing operation)		Group YTD (Including discontinued operation)	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Basic EPS	$ '000	$ '000 Restated	$ '000	$ '000 Restated	$ '000	$ '000 Restated	$ '000	$ '000 Restated
(Loss)/profit attributable to shareholders	(1,854)	(1,287)	(1,854)	(1,172)	(4,741)	(3,056)	(3,346)	1,076
Weighted average number of ordinary shares (excluding treasury shares) applicable to basic earnings per share ('000)	715,532	719,725	715,532	719,725	718,294	581,218	718,294	581,218
(Loss)/profit per ordinary share, in cents :								
- basic	(0.2591)	(0.1788)	(0.2591)	(0.1628)	(0.6600)	(0.5258)	(0.4658)	0.1851

	Group 3rd Quarter Ended (Continuing operation)		Group 3rd Quarter Ended (Including discontinued operation)		Group YTD (Continuing operation)		Group YTD (Including discontinued operation)	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Diluted EPS	$ '000	$ '000 Restated	$ '000	$ '000 Restated	$ '000	$ '000 Restated	$ '000	$ '000 Restated
(Loss)/profit attributable to shareholders	(1,854)	(1,287)	(1,854)	(1,172)	(4,741)	(3,056)	(3,346)	1,076
	^	**	^	**	^	**	^	"
Weighted average number of ordinary shares (excluding treasury shares) applicable to diluted earnings per share ('000)	715,532	719,725	715,532	719,725	718,294	581,218	718,294	650,076
Loss per ordinary share, in cents :								
- fully diluted	(0.2591)	(0.1788)	(0.2591)	(0.1628)	(0.6600)	(0.5258)	(0.4658)	0.1655

Note :

^ For the 3rd quarter and reporting period ended 31 December 2018, the unlisted 166,666,667 warrants to Yiguo and the contingent shares were not included in the computation of diluted earnings per share because they are anti-dilutive.

** For the 3rd quarter and reporting period (continuing operation) ended 31 December 2017, the unlisted 166,666,667 warrants to Yiguo were not included in the computation of diluted earnings per share because they are anti-dilutive.

" For the reporting period (including discontinued operation) ended 31 December 2017, the unlisted 166,666,667 warrants to Yiguo and the contingent shares were included in the computation of diluted earnings per share. The number of contingent shares is based on the number of shares issuable assuming the occurrence of loss events on 31 December 2017.

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

		As at 31-Dec-18 cents	As at 31-Mar-18 cents
Group		1.29	2.07
Company		3.52	3.69
No of issued shares ('000)	#	713,362	719,725

Note :

As at 31 December 2018, the number of issued shares excludes 6,362,798 treasury shares.

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

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

3Q18/19 vs.3Q17/18

1 The Group's revenue increased by 88% to $20.33 million in 3Q18/19 compared to $10.80 million in 3Q17/18. The increase was mainly due to sales to Shanghai YiGuo E-Commence Co. Ltd and its related companies ("Yiguo"). The sales to Yiguo constituted 70% of the Group's revenue.

2 Gross loss for 3Q18/19 was $0.46 million (gross margin of -2%) compared to gross loss of $0.04 million (gross margin of -0.4%) in 3Q17/18. The negative gross margin was mainly due to seasonally low pricing of certain key products in China and the weakening of the Chinese yuan.

3 The selling and distribution expenses were $0.44 million in 3Q18/19 compared to $0.48 million in 3Q17/18. This was mainly due to a higher volume of marketing activities, including sponsorship carried out in 3Q17/18.

4 The administrative expenses were $0.83 million in 3Q18/19 compared to $0.75 million in 3Q17/18. This was mainly due to a one time-off allowance of $0.19 million impairment loss being recorded on trade receivables in 3Q18/19.

5 The other expenses were $0.14 million in 3Q18/19 compared to $0.05 million in 3Q17/18. This was mainly due to higher net foreign exchange losses recorded in 3Q18/19 due to the weakening of the Chinese yuan.

6 Loss from continuing operations for the period: -
The Group's loss from continuing operations before tax for 3Q18/19 was $1.81 million compared to $1.29 million for 3Q17/18. The reason was mainly due to item (2) above.

7 Profit from discontinued operations for the period: -
The Group's result from discontinued operations for 3Q18/19 were nil compared to a profit of $0.12 million in 3Q17/18. The $0.12 million is as a result of a net gain from disposal of the subsidiary.

8 Total comprehensive loss for the period: -
The Group's total comprehensive loss after tax for 3Q18/19 was $1.83 million compared to $0.89 million in 3Q17/18. The reason was mainly due to items (6) and (7) above.

9 Operating cash flow: -
The Group's net cash inflow from operating activities for 3Q18/19 was $0.43 million compared to the net cash outflow of $0.23 million in 3Q17/18. The net cash inflow for 3Q18/19 were mainly due to the increased trade purchases in line with the increased sales and better supplier credit terms offset by the cash inflow from inventories sold.

10 Financing cash flow: -
The Group's net cash outflow from financing activities for 3Q18/19 was $0.26 million as compared to the net cash outflow of $0.01million for 3Q17/18. The net cash outflow for 3Q18/19 was mainly due to $0.25 million share buyback exercise.

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

YTD18/19 vs. YTD17/18

11 The Group's revenue increased by 88% to $50.51 million in YTD18/19 compared to $26.89 million in YTD17/18. The increase was mainly due to sales to Shanghai YiGuo E-Commence Co. Ltd and its related companies ("Yiguo"). The sales to Yiguo constituted 53% of the Group's revenue.

12 Gross loss for YTD18/19 was $1.55 million (gross margin of -3%) compared to gross profit of $1.15 million (gross margin of 4%) in YTD17/18. The negative gross margin was mainly due to seasonally low pricing of certain key products in China and the weakening of the Chinese yuan.

13 The increase in other income was mainly due to the net foreign exchange gain of $0.27 million and the government grant of $0.06 million from the Productivity and Innovation Credit Scheme - IRAS in YTD18/19.

14 The selling and distribution expenses were $1.31 million in YTD18/19 compared to $1.40 million in YTD17/18. The reason was mainly due to item (3) above.

15 The administrative expenses were $2.26 million in YTD18/19 compared to $2.62 million in YTD17/18. The decrease was mainly due to higher expenses in YTD17/18 which included: a) one-off expenses of $0.26 million of professional fees and printing costs incurred in relation to the disposal of subsidiaries, investment in Harvest Season Pte Ltd and the placement of new shares and others; b) staffs related expenses amounting to $0.09 million arising from additional headcounts and recruitment expenses in both Singapore and China.

16 The other expenses were nil in YTD18/19 because there were no net foreign exchange losses compared to $0.26 million in YTD17/18. The other expenses in YTD17/18 mainly pertained to incurred foreign exchange loss.

17 Loss from continuing operations for the period: -
The Group's loss from continuing operations before tax for YTD18/19 was $4.70 million compared to $3.06 million for YTD17/18. The reason was mainly due to item (12) above.

18 Profit from discontinued operations for the period: -
The Group's profit from discontinued operations for YTD18/19 was S$1.40 million compared to a profit of $4.13 million in YTD17/18. This was mainly due to the gain of $1.55 million recognised from the disposal of subsidiaries in YTD18/19 compared to the $3.46 million gain recognised from disposal of subsidiaries, offset by the tax refund of $0.34 million in YTD17/18.

19 Total comprehensive loss for the period: -
The Group's total comprehensive loss after tax for YTD18/19 was $5.31 million compared to $0.06 million in YTD17/18. This was mainly due to the $1.54 million reclassification of other reserves to profit and loss in YTD 18/19 as a result of disposal of subsidiaries and the reasons due to item (17) and (18) above.

20 Operating cash flow: -
The Group's net cash outflow from operating activities for YTD18/19 was $6.82 million compared to $4.04 million in YTD17/18. The increase in cash outflow was mainly due to operating losses and slower repayment from customers offset by cash inflow from inventories sold.

21 Investing cash flow: -
The Group's net cash inflow from investing activities for YTD18/19 was $0.03 million as compared to $4.91 million for YTD17/18 which was mainly due to an one-off proceed of $4.89 million from subsidiaries disposed off in June 2017.

22 Financing cash flow: -
The Group's net cash outflow was $0.30 million from financing activities for YTD18/19 which was mainly due to the share buyback exercise as compared to the net cash inflow of $14.99 million for YTD17/18 due to a one-off $15 million issuance of placement shares to Yiguo in July 2017.

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

YTD18/19 vs. YTD17/18

Material fluctuation in balance sheet items :

23a) Decrease in cash and cash equivalent was mainly due to the cash outflow in operating activities as stated in item (20) above.

b) Increase in trade receivables was mainly due to increase in credit sales.

c) Decrease in other receivables was mainly due to the refund from a supplier relating to advance payments placed with supplier for certain project.

d) Increase in deposit and prepayments was mainly due to the advance payments of $0.36 million placed with suppliers as prepayment for certain project and $0.06 million in prepaid fees for ERP system license and insurance renewal.

e) Decrease in inventories was mainly due to faster inventory turnover for the YTD18/19 which is inline with the increase in sales.

f) Increase in trade payables was mainly due to the reason in item (9) above.

g) Decrease in other payables and accruals was mainly due to the repayment of Directors's fees and professional fees.

h) Decrease in other reserves was mainly due to a) disposal of overseas subsidiaries for which the corresponding foreign currency translation reserve amounting to $1.54 million was being recognised as a gain on disposal of subsidiaries in 1Q18/19, b) $0.47 million of foreign currency translation loss, c) the treasury shares buyback of $0.30 million.

i) Increase in finance liabilities was mainly due to the purchase of a new copier under finance lease amounting to $0.01million in 2Q18/19.

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

None.

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

The operating environment remains challenging and competitive. The Group will continue to focus on its value added fresh fruit products in China and South East Asia, and remain optimistic for an improved operational result.

No. 11 Dividend

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Period

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been recommended.

No. 13 Interested Person Transactions

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

The aggregate value of interested person transactions entered into during the reporting period ended 31 December 2018 is as follows : -

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted shareholders' mandate pursuant to Rule 920) (In $ '000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (In $ '000)
Shanghai Yiguo E-Commerce Co. Ltd and its related entities	27,060	27,060

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

Yes.

SUNMOON FOOD COMPANY LIMITED
Company Registration Number 198304656K

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 31 December 2018 to be false or misleading in any material aspect.

On behalf of the Directors

(signed)
Mr Gary Loh Hock Chuan
Director

(signed)
Ms Ng Bie Tjin @Djuniarti Intan
Director

13 February 2019