



SunMoon Food Company Limited

(Company Registration No. 198304656K)

(Incorporated in Singapore)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2021

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

n.m - "not meaningful"

\$- SGD

	Note	Group		Change
		First Quarter Ended		
		30-Jun-21	30-Jun-20	
		\$ '000	\$ '000	%
Revenue	4	7,380	8,500	-13%
Cost of sales		(7,297)	(8,135)	-10%
Gross profit		83	365	-77%
Other income	5	4	59	-93%
Selling & Distribution expenses		(137)	(317)	-57%
Administrative expenses		(244)	(193)	25%
Other expenses	6	-	(34)	-100%
Finance costs	6	(9)	(2)	500%
Loss for the period before income tax	6	(303)	(122)	148%
Income tax expense	7	-	-	
Loss for the period, net of income tax		(303)	(122)	148%
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange difference arising from translation of foreign operations		90	(361)	n.m
Other comprehensive income/(loss) for the period, net of income tax:		90	(361)	n.m
Total comprehensive loss for the period		(213)	(483)	-56%
Loss per share attributable to equity holders of the Company (Cents per share)				
Basic and diluted loss per share		(0.04)	(0.02)	-100%

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at	As at	As at	As at
		30-Jun-21	31-Mar-21	30-Jun-21	31-Mar-21
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Investment in subsidiaries	9	-	-	9,242	9,360
Investment in an associate	10	-	-	-	-
Investment in a joint venture	11	-	-	-	-
Financial assets, at fair value through profit or loss("FVPL")	12	-	-	-	-
Plant and equipment	8	160	188	-	-
Total non-current assets		160	188	9,242	9,360
Current assets					
Cash and cash equivalents	13	1,806	1,153	72	33
Trade and other receivables	14	11,635	13,697	9	23
Inventories	15	1,492	1,949	-	-
Total current assets		14,933	16,799	81	56
Total assets		15,093	16,987	9,323	9,416
Equity attributable to equity holders of the Company					
Share capital	18	141,887	141,887	141,887	141,887
Other reserves	19	16,530	16,440	18,085	18,085
Accumulated losses		(149,908)	(149,605)	(151,220)	(151,084)
Total equity		8,509	8,722	8,752	8,888
Non-current liability					
Borrowings	16	49	101	-	-
Total non-current liability		49	101	-	-
Current liabilities					
Borrowings	16	729	692	-	-
Trade and other payables	17	5,806	7,472	571	528
Total current liabilities		6,535	8,164	571	528
Total liabilities		6,584	8,265	571	528
Total liabilities and equity		15,093	16,987	9,323	9,416

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital reduction reserve	Treasury shares	Foreign currency translation reserve	Reserve for contingent issuance of shares	Other reserves total	Accumulated losses	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
GROUP								
Bal at 01/04/2021	141,887	18,384	(299)	(1,645)	-	16,440	(149,605)	8,722
Loss for the period	-	-	-	-	-	-	(303)	(303)
Other comprehensive loss for the period								
Exchange differences arising from translation of foreign operations	-	-	-	90	-	90	-	90
Total comprehensive loss for the period	-	-	-	90	-	90	(303)	(213)
Bal at 30/06/2021	141,887	18,384	(299)	(1,555)	-	16,530	(149,908)	8,509
GROUP								
Bal at 01/04/2020	141,887	18,384	(299)	(1,725)	-	16,360	(150,511)	7,736
Loss for the period	-	-	-	-	-	-	(122)	(122)
Other comprehensive loss								
Exchange differences arising from translation of foreign operations	-	-	-	(361)	-	(361)	-	(361)
Total comprehensive loss for the period	-	-	-	(361)	-	(361)	(122)	(483)
Bal at 30/06/2020	141,887	18,384	(299)	(2,086)	-	15,999	(150,633)	7,253

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	First Quarter Ended 30-Jun-21	30-Jun-20
	\$'000	\$'000
Operating activities		
Loss before income tax	(303)	(122)
Adjustments for:		
Interest expense	9	2
Interest income	(1)	-
Depreciation of plant and equipment	29	4
Other income	(2)	(53)
Loss on disposal of plant and equipment	-	2
Foreign exchange differences	92	(360)
Operating loss before working capital changes	(176)	(527)
Working capital changes:		
Trade and other receivables	2,062	(2,430)
Inventories	457	2,263
Trade and other payables	(1,666)	(311)
Net cash provided by /(used in) operating activities	677	(1,005)
Investing activities		
Proceeds from disposal of plant and equipment	-	1
Net cash provided by investing activities	-	1
Financing activities		
Interest paid	(9)	(2)
Proceeds from bank loan	-	592
Repayment of lease liabilities	(26)	(1)
Net cash (used in)/provided by financing activities	(35)	589
Net increase/(decrease) in cash and cash equivalents	642	(415)
Cash and cash equivalents at beginning of the period	1,153	1,539
Exchange difference on cash and cash equivalents	10	53
Cash and cash equivalents at end of the period	1,806	1,177

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED 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 company is Yiguo General Food Pte. Ltd., incorporated in the Republic of Singapore and its ultimate holding company 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, #21-07/08/09 Shaw Centre, Singapore 228202 and its principal place of business is at 71 Ubi Road 1, #08-47, Oxley Bizhub, Singapore 408732.

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

2 Basis of preparation

The condensed interim financial statements for the first quarter ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2021.

The accounting policies and method of computation adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 April 2021. The adoption of these standards did not have any material effect on the amounts reported for the current or prior period.

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

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of Judgement and Estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 March 2021.

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.

2.3 Seasonal Operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.4 Segment Information

Management has determined the operating segments based on the reports reviewed by 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.

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 balance sheet of the Group. Non-current assets are shown by the geographical area in which the assets are located.

	Revenue		Non-current assets	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	\$'000	\$'000	\$'000	\$'000
ASEAN	477	1,322	40	9
Peoples' Republic of China	6,903	7,178	120	1
	<u>7,380</u>	<u>8,500</u>	<u>160</u>	<u>17</u>

3 Significant related party transactions

During the financial period, the following were significant related party transactions at rates and terms agreed between the parties:

Sales and purchases of goods and services

	Group	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Companies related to the ultimate holding company		
Sales	31	1,961
Purchases	-	485
Service received from	-	36
	<u>-</u>	<u>36</u>

4 Revenue

Revenue from contract with customers

	Group	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
<u>At a point in time</u>		
Sales of fruits, seafood and others	7,380	8,500
	<u>7,380</u>	<u>8,500</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 Other income

	Group	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Franchise income	-	6
Government grants	2	40
Foreign exchange gains, net	1	-
Interest income	1	-
Others	-	13
	4	59
	4	59

6 Loss before income tax

The following expense items have been included in arriving at loss before income tax:

	Group	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
<u>Cost of goods sold</u>		
Purchases of inventories	7,297	8,200
Changes in inventories		
Reversal of allowance for inventory obsolescence	-	(65)
	-	(65)
<u>Selling and distribution expenses</u>		
Advertisement and promotion	3	22
Employee benefits expense:		
- Salaries, bonus and other benefits	76	187
- Defined contribution plans	11	8
Total employee benefits expense	87	195
<u>Administrative expenses</u>		
Audit fees		
- Auditors of the Company	21	21
- Other auditors	1	1
Depreciation of plant and equipment	29	4
Rental expense for short-term lease	2	19
Directors' fees	38	35
Employee benefits expense:		
- Salaries, bonus and other benefits	47	44
- Defined contribution plans	29	5
Total employee benefits expense	76	49
<u>Other expenses</u>		
Foreign exchange losses, net	-	32
Loss on disposal of plant and equipment	-	2
	-	34
	-	34

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Loss before income tax (Continued)

	Group	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
<u>Finance costs</u>		
Interest expense:		
- Bank borrowings	7	2
- Lease liabilities	2	-*
	9	2
	9	2

* Denotes less than \$1,000

7 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. No income tax expense was recognised for the first quarter ended 30 June 2021 and 2020 as the Group has no chargeable income.

8 Plant and equipment

As at 30 June 2021, the Group's plant and equipment amounted to \$160,000 (30 June 2020: \$10,000).

The right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class, the Group's right-of-use assets pertain to the leases of office spaces for the purpose of back office operations in China and Singapore.

9 Investment in subsidiaries

	Company	
	30-Jun-21	31-Mar-21
	\$'000	\$'000
Unquoted equity shares, at cost	10,200	10,200
Allowance for impairment loss	(10,200)	(10,200)
	-	-
Amount due from subsidiaries (non-trade)	18,284	18,397
Allowance for impairment loss on receivables	(9,042)	(9,037)
	9,242	9,360

10 Investment in an associate

	Group	
	30-Jun-21	31-Mar-21
	\$'000	\$'000
Unquoted equity shares, at cost	101	101
Allowance for impairment loss	(101)	(101)
	-	-

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

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11 Investment in a joint venture

The Company's indirect wholly-owned subsidiary, Shanghai SunMoon Food & Aquatic International Trading Co., Ltd. has on 12 May 2021 entered into a joint venture agreement with Thanh Vinh Le ("TVL"). TVL is one of the directors of Truong Giang Fishery Holdings Corporation ("TGFHC"). TGFHC is a company which specialises in the exports of fish and related products. The primary business scope of the joint venture company is to procure the sale and purchase of TGFHC Vietnamese Pangasius ("Basha Fish") as well as related products or such other businesses as the parties may agree from time to time. On 3 June 2021, the joint venture company, Shanghai Jiangshan International Trading Co., Ltd has been established. There was no transaction as at 30 June 2021.

12 Financial assets, At FVPL

	Group	
	30-Jun-21	31-Mar-21
	\$'000	\$'000
<u>Financial instruments</u>		
Equity security(unquoted)	-	-

It pertains to the equity security of Harvest Season Pte. Ltd. of \$752,000 and at 31 March 2021 and 30 Jun 2021 management has ascertained its fair value to be zero.

13 Cash and cash equivalents

	Group		Company	
	30-Jun-21	31-Mar-21	30-Jun-21	31-Mar-21
	\$'000	\$'000	\$'000	\$'000
Cash at bank	1,806	1,153	72	33

14 Trade and other receivables

	Group		Company	
	30-Jun-21	31-Mar-21	30-Jun-21	31-Mar-21
	\$'000	\$'000	\$'000	\$'000
Trade receivables:				
- Third parties	5,061	6,729	-	-
- Third parties-SSMY	5,967	6,228	-	-
- Yiguo related parties	127	98	-	-
	11,155	13,055	-	-
Less: allowance for impairment loss				
- Third parties	(1,716)	(1,717)	-	-
	9,439	11,338	-	-
Other sundry receivables	2	209	-	-
Refundable deposits	39	4	-	-
Total trade and other receivables carried at amortised cost	9,480	11,551	-	-
GST/VAT refundable	153	66	4	3
Advances to suppliers:				
- Third parties	1,669	2,023	-	-
Prepayments	333	57	5	20
Total	11,635	13,697	9	23

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15 Inventories

	Group	
	30-Jun-21 \$'000	31-Mar-21 \$'000
Fruits and aquatic products	1,492	1,949

16 Borrowings

	Group	
	30-Jun-21 \$'000	31-Mar-21 \$'000
Current		
Bank loan	624	615
Lease liabilities	105	77
	<u>729</u>	<u>692</u>
Non-current		
Lease liabilities	49	101
Total borrowings	<u>778</u>	<u>793</u>

The bank loan of RMB3,000,000 (or \$624,000) at interest rate of 4.50% per annum was obtained from China Construction Bank under the personal guarantee of a director. The loan has been renewed for one year at an interest rate of 4.25% per annum and due on 17 May 2022.

Lease liabilities pertaining to office spaces and office equipment for the purpose of back office operations in China and Singapore.

The leases for office spaces 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.

17 Trade and other payables

	Group		Company	
	30-Jun-21 \$'000	31-Mar-21 \$'000	30-Jun-21 \$'000	31-Mar-21 \$'000
Trade payables				
- Third parties	1,378	1,919	-	-
- SSMY	2,089	2,447	-	-
- Yiguo related parties	124	123	-	-
	<u>3,591</u>	<u>4,489</u>	<u>-</u>	<u>-</u>
Other payables				
- Third parties	250	408	120	75
Accrued operating expenses	523	513	451	453
Total trade and other payables carried at amortised cost	<u>4,364</u>	<u>5,410</u>	<u>571</u>	<u>528</u>
Advances from customers:				
- Third parties	1,442	2,062	-	-
Total	<u>5,806</u>	<u>7,472</u>	<u>571</u>	<u>528</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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 China and Singapore.

Office equipment

The Group leases copier for administrative purpose. The Group is restricted from assigning and subleasing the leased assets.

Carrying amounts of right-of-use assets classified within plant and equipment

	Group	
	30-Jun-21	31-Mar-21
	\$'000	\$'000
Plant and machineries	152	170
Office equipment	2	2
	<u>154</u>	<u>172</u>

19 Share capital

	Group and Company			
	30-Jun-21	31-Mar-21	30-Jun-21	31-Mar-21
	'000	'000	\$'000	\$'000
Number of ordinary shares				
Issued and fully paid				
Balance at beginning and end of financial period	<u>784,635</u>	<u>784,635</u>	<u>141,887</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 of 6,362,798(\$299,000)) carry one vote per share and carry a right to dividends as and when declared by the Company.

20 Other reserves

Other reserves comprise the following:

	Group		Company	
	30-Jun-21	31-Mar-21	30-Jun-21	31-Mar-21
	\$'000	\$'000	\$'000	\$'000
Capital reduction reserve	18,384	18,384	18,384	18,384
Foreign currency translation reserve	(1,555)	(1,645)	-	-
Treasury shares	(299)	(299)	(299)	(299)
	<u>16,530</u>	<u>16,440</u>	<u>18,085</u>	<u>18,085</u>

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.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**20 Other reserves (Continued)****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.

As at 30 June 2021, there were 6,362,798 treasury shares(31 March 2021: 6,362,798).

21 Loss per share

Basic and diluted 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 period.

	Group	
	30-Jun-21	30-Jun-20
Net Loss attributable to equity holders of the Company (\$'000)	<u>(303)</u>	<u>(122)</u>
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	# 778,273	778,273
Basic and diluted loss per shares (cents)	<u>(0.04)</u>	<u>(0.02)</u>

There were no dilutive potential ordinary shares during the financial period ended 30 June 2021 and 30 June 2020.

22 Net assets value per ordinary share

	Group	
	As at	As at
	30-Jun-21	31-Mar-21
	cents	cents
Group	1.09	0.99
Company	1.12	0.92
No of issued shares ('000)	# 778,273	778,273

Note :

* As at 30 June 2021 and 31 March 2021, 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 as at 30 June 2020 and 31 March 2021 respectively.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23 Financial assets and Financial liabilities

	SGD \$'000	USD \$'000	RMB \$'000	AUD \$'000	Others \$'000	Total \$'000
Group						
<u>At 30 June 2021</u>						
Financial assets						
Trade and other receivables	23	2,990	6,467			9,480
Cash and cash equivalents	155	209	1,440	2	-	1,806
	<u>178</u>	<u>3,199</u>	<u>7,907</u>	<u>2</u>	<u>-</u>	<u>11,286</u>
Financial liabilities						
Trade and other payables	(658)	(602)	(3,094)		(10)	(4,364)
Borrowings	(33)	-	(745)	-	-	(778)
	<u>(691)</u>	<u>(602)</u>	<u>(3,839)</u>	<u>-</u>	<u>(10)</u>	<u>(5,142)</u>
Net financial (liabilities)/assets	<u>(513)</u>	<u>2,597</u>	<u>4,068</u>	<u>-</u>	<u>10</u>	<u>6,144</u>
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies						
	<u>-</u>	<u>602</u>	<u>-</u>	<u>2</u>	<u>(10)</u>	<u>594</u>
	SGD \$'000	USD \$'000	RMB \$'000	AUD \$'000	Others \$'000	Total \$'000
Group						
<u>At 31 March 2021</u>						
Financial assets						
Trade and other receivables	8	3,149	8,394	-	-	11,551
Cash and cash equivalents	141	273	737	2	-	1,153
	<u>149</u>	<u>3,422</u>	<u>9,131</u>	<u>2</u>	<u>-</u>	<u>12,704</u>
Financial liabilities						
Trade and other payables	(586)	(780)	(4,034)	-	(10)	(5,410)
Borrowings	(40)	-	(753)	-	-	(793)
	<u>(626)</u>	<u>(780)</u>	<u>(4,787)</u>	<u>-</u>	<u>(10)</u>	<u>(6,203)</u>
Net financial (liabilities)/assets	<u>(477)</u>	<u>2,642</u>	<u>4,344</u>	<u>2</u>	<u>(10)</u>	<u>6,501</u>
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies						
	<u>-</u>	<u>2,642</u>	<u>-</u>	<u>2</u>	<u>(10)</u>	<u>2,634</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23 Financial assets and Financial liabilities(Continued)

	SGD \$'000	USD \$'000	RMB \$'000	Total \$'000
Company				
<u>At 30 June 2021</u>				
Financial asset				
Cash and cash equivalents	63	9	-*	72
Financial liability				
Trade and other payables	(571)	-	-	(571)
Net financial (liabilities)/assets	<u>(508)</u>	<u>9</u>	<u>-*</u>	<u>(499)</u>
Currency exposure of financial assets net of those denominated in the Company's functional currency				
	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>

* Denotes less than \$1,000

	SGD \$'000	USD \$'000	RMB \$'000	Total \$'000
Company				
<u>At 31 March 2021</u>				
Financial asset				
Cash and cash equivalents	24	9	-*	33
Financial liability				
Trade and other payables	(528)	-	-	(528)
Net financial (liabilities)/assets	<u>(504)</u>	<u>9</u>	<u>-*</u>	<u>(495)</u>
Currency exposure of financial assets net of those denominated in the Company's functional currency				
	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>

* Denotes less than \$1,000

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**24 Subsequent Event***Establishment of new subsidiaries:*

On 13 Aug 2021, Shanghai ShanWen International Trading Co.,Ltd was established, its principal activities were:

Supply chain management, food management (sales of pre-packaged food), sales of edible agricultural products, gift flowers, arts and crafts and ceremonial supplies (except ivory and its products), office supplies, clothing and accessories, daily necessities, hardware products, and household appliances , Information consulting services (not including licensing 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 (not allowed to engage in value-added telecommunications, Financial services). (Except for items subject to approval in accordance with the law, carry out business activities independently with the business license in accordance with the law).

On 27 Aug 2021, Shanghai ShanFu International Trading Co., Ltd was established, its principal activities were:

Supply chain management, food management (sales of pre-packaged food), sales of edible agricultural products, gift flowers, arts and crafts and ceremonial supplies (except ivory and its products), office supplies, clothing and accessories, daily necessities, hardware products, and household appliances , Information consulting services (not including licensing 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 (not engaged in value-added telecommunications, Financial services). (Except for items subject to approval in accordance with the law, carry out business activities independently with the business license in accordance with the law).

The establishment of the above subsidiaries were funded through internal resources and were not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 March 2022.

For details of the incorporation announcements, shareholders can refer to the Company's announcements dated 17 August 2021 and 8 September 2021 respectively.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

- F1(a)(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Refer to Note 19.

- F1(a)(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Refer to Note 19.

- F1(a)(iii) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There are no sales, transfers, cancellation and/or use of treasury shares between 1 April 2021 and 30 June 2021.

- F1(a)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There are no subsidiary holdings for the period ended 30 June 2021.

- F2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The condensed interim statements of financial position of SunMoon Food Company Limited and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the first quarter then ended and certain explanatory notes have not been audited or reviewed.

- F3 Where the figures have been audited or reviewed, the auditor's report (including any modifications or emphasis of a matter).**

Not applicable. The Group's latest financial statements for the financial year ended 31 March 2021 was not subject to an adverse opinion, qualified opinion or disclaimer of opinion, but include a section of material uncertainty on going concern.

- F4 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously disclosed to the shareholders.

- F5 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:—**
(a) current financial period reported on; and
(b) immediately preceding financial year.

Refer to Note 22.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2(CONTINUED)

- F6 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:—**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Condensed Interim Consolidated Statement of Comprehensive Income**1 Revenue**

Revenue for the Group was \$7.38 million for 1Q2021/22 compared to \$8.50 million for 1Q2020/21. The lower revenue was mainly due to the decrease in sales to related parties and fresh fruits exported for 1Q2021/22. The sales to Shanghai Yiguo E-Commerce Co.,Ltd and its related companies ("Yiguo") for 1Q2021/22 was 0.4% of the revenue compared to 23% of the revenue for 1Q2020/21.

2 Gross Profit

Gross profit for 1Q2021/22 was \$0.08 million (gross margin of 1.1%) compared to gross profit of \$0.37 million (gross margin of 4.3%) in 1Q2020/21 period. The lower margin was mainly due to clearance of obsolete inventories and products sold at no margin or negative margin.

3 Other income

Other income was \$4,000 for 1Q2021/22 compared to \$59,000 for 1Q2020/21. Other income was mainly from government grants on job support scheme.

4 Selling and distribution expenses ("S&D")

The S&D expenses for 1Q2021/22 were \$0.14 million compared to \$0.32 million for 1Q2020/21. The lower S&D expenses were due to cost control measures undertaken to streamline the Group's operation and the splitting of management staff related expenses from S&D expenses to Admin expenses for subsidiary in China since April 2021 based on job functions.

5 Administrative expenses ("Admin")

The Admin expenses for 1Q2021/22 were \$0.25 million compared to \$0.19 million for 1Q2020/21. The higher Admin expenses for 1Q2021/22 were mainly due to increased professional fee expenses and the splitting of management staff related expenses from S&D expenses to Admin expenses for subsidiary in China since April 2021 based on job functions.

6 Loss for the period

The Group's loss before income tax for 1Q2021/22 was \$0.30 million compared to \$0.12 million for 1Q2020/21. The reasons were mainly due to item (2), (4) and (5) above.

7 Total comprehensive loss for the period

The Group's total comprehensive loss after income tax for 1Q2021/22 was \$0.21 million compared to the total comprehensive loss of \$0.48 million for 1Q2020/21. This was explained in item (6) above.

Condensed Interim Consolidated Statement of Cash flows**8 Operating cash flow**

The Group's net cash inflow from operating activities for 1Q2021/22 was \$0.68 million compared net cash outflow of \$1.01 million in 1Q2020/21. The increase in the cash inflow was mainly due to cash generated from operating activities as a result of improvement in working capital.

- F6 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:—**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Condensed Interim Consolidated Statement of Cash flows(Continued)

9 Financing cash flow

The Group's net cash outflow from financing activities for 1Q2021/22 was pertaining to interest paid and repayment of lease liabilities.

Condensed Interim Statements of Financial Position

10 Cash and cash equivalent

The increase in cash and cash equivalent was mainly due to net cash inflow generated from operating activities as stated in item (8) above.

11 Trade and other receivables

Trade receivables from third parties have been reduced to \$5.06 million as at 30 June 2021 compared \$6.73 million as at 31 March 2021. These were mainly due to collection and decrease in sales.

Trade receivables from Yiguo related parties were \$127,000 as at 30 June 2021 compared to \$98,000 as at 31 March 2021, these were due to seafood and fruits sold to Yiguo and its related parties during the period.

Trade receivables from SSMY have been reduced to \$5.97 million compared to \$6.23 million as at 31 March 2021, these were due to payment made from SSMY according to repayment schedule.

(For details of receivables from SSMY pertaining to purchase AR from SMF Shanmai and SMDT and repayment schedules, please refer to update to shareholders announcement dated 10 February 2021, 10 June 2021, 14 July 2021, 16 July 2021 and 25 July 2021).

Other receivables were mainly advances to suppliers to secure procurement and the decrease was mainly due to decrease in purchases.

12 Inventories

The decrease in inventories was a result of inventories being sold.

13 Borrowings

The decrease in borrowings was due to principal repayment of lease liabilities for the period. As at 30 June 2021, Bank loan remains unchanged at RMB3 million.

14 Trade and other payables

The decrease in trade payables was mainly due to decrease in credit purchases.

Other payables were mainly advances from customers and the decrease was mainly due to decrease in sales.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2(CONTINUED)**F7. A commentary at the date of the announcement of the significant trends and competitive condition 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 conditions remain challenging amidst the global and domestic economic uncertainties resulting from the COVID-19 pandemic.

The Group will continue our focus on import (of products including fresh produce) to China market and export (of products including Chinese fresh fruits) from China to Southeast Asian markets. The Group will focus on high quality products with better margin while expanding our product offerings and enhance the higher value-added supply chain services.

As announced by the Company on 27 August 2021, the company has entered into the new businesses of basa fish and sheep milk powder. These new businesses require high quality products and also preferably obtaining exclusive rights in the Chinese market to enhance competitiveness of which the Company is able to find supporting partners to work with. The Group continues to believe that our new professional operation team with knowledge and experience in the industry chain of these two businesses and strong logistics and supply chain network of the Company will be able to support the sales and distribution of these two new products and help the SM Group achieves stability in the longer run.

As announced by the Company on 27 August 2021, the Company has submitted the resumption proposal on 19 June 2021. The Company will update Shareholders as and when there are material developments on its resumption proposal application.

F8. Dividend**(a) Any dividend declared for the current financial period reported on?**

None.

(b) Any dividend declared for the preceding financial period?

None.

(c) The date the dividend is payable.

Not applicable.

(d) Books closure date

Not applicable.

F9. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for the quarter, as the Group is still in accumulated loss position as of current quarter.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONTINUED)**F10. Confirmation that the issuer has procured undertakings from all its directors and executive officers Pursuant to Rule 720 (1) of The Listing Manual (in the format set out in Appendix 7.7).**

The Board of Directors of SunMoon Food Company Limited hereby confirms it has procured the undertakings from all Directors and executive offices as required under SGX Listing Rule 720(1).

F11. Interested Person Transactions

The Group had obtained shareholders' approval to renew the Interested Person Transactions ("IPT") on 29 September 2021.

The aggregate value of interested person transactions entered into during the reporting period ended 30 June 2021 is as follows : -

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under 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)	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 \$ '000)
Shanghai Yiguo E-Commerce Co. Ltd and its related entities: -			
<i>Sales to</i>	-	-	31

For clarity, as many of the interested person transactions are expected to fall below \$100,000, the disclosures in the annual report will also include transactions each below \$100,000.

F12. Confirmation Pursuant to The Rule 705 (5) of The Listing Manual

On behalf of the Board of Directors of the Company, we 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 unaudited condensed interim financial statements for the first quarter ended 30 June 2021 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Mr Zhang Ye
Executive Director and Chief Executive Officer
13 October 2021