

**SunMoon Food Company Limited**

(198304656K)

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**Full Year Financial Statements Announcement for the Year Ended 31 December-2015**

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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 year.**

|   | <b>Group</b>     |                                 |               |
|---|------------------|---------------------------------|---------------|
|   | <b>YTD</b>       |                                 |               |
|   | <b>31-Dec-15</b> | <b>31-Dec-14</b>                | <b>Change</b> |
|   | <b>\$ '000</b>   | <b>Re-presented<br/>\$ '000</b> | <b>%</b>      |
| Revenue   | 14,093           | 15,861                          | -11%          |
| Cost of sales   | (13,067)         | (14,732)                        | -11%          |
| <b>Gross profit</b>   | <b>1,026</b>     | <b>1,129</b>                    | -9%           |
| Other income  | 378              | 214                             | 77%           |
| Selling & Distribution costs  | (1,343)          | (1,272)                         | 6%            |
| Administrative expenses   | (4,212)          | (2,881)                         | 46%           |
| Other expenses  | (3)              | (24)                            | -88%          |
| Finance costs   | -                | -                               | n.m           |
| <b>Loss before tax from continuing operations</b>                                 | <b>(4,154)</b>   | <b>(2,834)</b>                  | 47%           |
| Income tax expense  | -                | -                               | n.m           |
| <b>Loss from continuing operations for the year,net of income tax</b>             | <b>(4,154)</b>   | <b>(2,834)</b>                  | 47%           |
| <b>Profit from discontinued operations for the year,net of income tax*</b>        | <b>2,053</b>     | <b>728</b>                      | 182%          |
| <b>Profit/(loss) for the year</b>   | <b>(2,101)</b>   | <b>(2,106)</b>                  | 0%            |
| <b>Other comprehensive income :</b>   |                  |                                 |               |
| <b>Items that may be reclassified subsequently to profit or loss:</b>             |                  |                                 |               |
| Exchange difference on translating foreign operations                             | 622              | 448                             | 39%           |
| <b>Total comprehensive income for the year</b>                                    | <b>(1,479)</b>   | <b>(1,658)</b>                  | -11%          |
| <b>EBITDA</b>   | <b>(257)</b>     | <b>(470)</b>                    | n.m           |
| <b><u>Profit /(loss)for the year included the following</u></b>                   |                  |                                 |               |
| Depreciation of property, plant & equipment                                       | (788)            | (927)                           |               |
| Interest expenses   | (164)            | (86)                            |               |
| Income tax expenses   | (892)            | (623)                           |               |
| One-off expenses in relation to share consolidation under administrative expenses | -                | (58)                            |               |
| One-off expenses in relation to Ntan case settlement fee                          | (1,172)          | -                               |               |
| One-off expenses in relation to professional fee related to Ntan case             | (44)             | (91)                            |               |
| One-off expenses in relation to requisitioning shareholders case                  | (98)             | -                               |               |
| One-off expenses in relation to proposed joint ventures                           | (84)             | -                               |               |
| One-off expenses in relation to brand consultant                                  | (100)            | -                               |               |
| Provision for doubtful debts  | (521)            | (769)                           |               |
| <b>Other income included:</b>   |                  |                                 |               |
| - Leasing and licensing income  | 39               | -                               |               |
| - Government grant  | 14               | 10                              |               |
| - Dividend income   | -                | 65                              |               |
| - Franchise income  | 24               | 24                              |               |
| - Net gain on foreign exchange  | 252              | 53                              |               |
| - Write off long outstanding other payable  | 40               | 50                              |               |
| - Other income  | 9                | 12                              |               |
|   | <b>378</b>       | <b>214</b>                      |               |

\*

*the Group has from July 2015 shifted its focus from dehydrated products by leasing out its dehydrated factory in order to concentrate on staffing and financial resources on the trading of fresh fruits and the development of processed fruits in order to achieve a stronger market share in these sectors.*

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

|   | Group         |               | Company      |               |
|---|---------------|---------------|--------------|---------------|
|   | As at         | As at         | As at        | As at         |
|   | 31-Dec-15     | 31-Dec-14     | 31-Dec-15    | 31-Dec-14     |
|   | \$'000        | \$'000        | \$'000       | \$'000        |
| <b>ASSETS</b>   |               |               |              |               |
| <b>Non-current assets</b>                                   |               |               |              |               |
| Subsidiaries  | -             | -             | 7,726        | 18,930        |
| Property, plant and equipment                               | 660           | 4,416         | -            | 6             |
| Property, plant and equipment under operating lease         | 3,486         | -             | -            | -             |
| <b>Total non-current assets</b>                             | <b>4,146</b>  | <b>4,416</b>  | <b>7,726</b> | <b>18,936</b> |
| <b>Current assets</b>                                       |               |               |              |               |
| Cash and bank balances                                      | 5,290         | 2,703         | 390          | 498           |
| Held-for-trading financial asset                            | 52            | 242           | -            | -             |
| Trade and other receivables                                 | 9,744         | 7,272         | 160          | 8             |
| Prepayments   | 44            | 77            | 27           | 25            |
| Inventories   | 539           | 13,431        | -            | -             |
| <b>Total current assets</b>                                 | <b>15,669</b> | <b>23,725</b> | <b>577</b>   | <b>531</b>    |
| <b>Total assets</b>   | <b>19,815</b> | <b>28,141</b> | <b>8,303</b> | <b>19,467</b> |
| <b>Equity attributable to equity holders of the Company</b> |               |               |              |               |
| Share capital   | 124,508       | 124,508       | 124,508      | 124,508       |
| Other reserves  | 26,632        | 26,010        | 18,384       | 18,384        |
| Accumulated losses  | (139,947)     | (137,846)     | (137,651)    | (127,401)     |
| <b>Total equity</b>   | <b>11,193</b> | <b>12,672</b> | <b>5,241</b> | <b>15,491</b> |
| <b>Current liabilities</b>                                  |               |               |              |               |
| Bank loan - secured   | 632           | 2,658         | -            | -             |
| Trade and other payables                                    | 7,990         | 12,811        | 3,062        | 3,976         |
| Provision for taxation                                      | -             | -             | -            | -             |
| <b>Total current liabilities</b>                            | <b>8,622</b>  | <b>15,469</b> | <b>3,062</b> | <b>3,976</b>  |
| <b>Total liabilities</b>                                    | <b>8,622</b>  | <b>15,469</b> | <b>3,062</b> | <b>3,976</b>  |
| <b>Total liabilities and equity</b>                         | <b>19,815</b> | <b>28,141</b> | <b>8,303</b> | <b>19,467</b> |

**No.1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

|            | (\$ '000)       |           |                 |           |
|------------|-----------------|-----------|-----------------|-----------|
|            | As At 31-Dec-15 |           | As At 31-Dec-14 |           |
|            | Secured         | Unsecured | Secured         | Unsecured |
| Bank loans | 632             | -         | 2,658           | -         |

**Details of any collateral**

In September 2014, Taian FHTK obtained a facility from the Industrial and Commercial Bank of China ("ICBC") via a working capital loan of RMB6 million (the "ICBC Loan"). The ICBC Loan had been repaid in August 2015.

In January 2015, Taian FHTK obtained an additional loan of RMB4 million from ICBC. The loan has been repaid in Dec 2015.

The ICBC Loan was secured by mortgages on leasehold properties of Taian FHTK.

In October 2014, one of the Group's subsidiaries in the U.S., UGC 2003, Inc., obtained a working capital loan facility with Cathay Bank, based in California, for an amount of US\$850,000. In December 2014, UGC 2003, Inc. increased its borrowing from Cathay Bank to US\$1,045,000 (the "Cathay Bank Facility").

In August 2015, the same loan facilities has been renewed with maturity date on 30 June 2016.

During the year 2015, UGC 2003, Inc. decreased its borrowing from Cathay Bank to US\$447,018. The borrowings from Cathay Bank have a maturity of 12 months from the date of borrowing or drawdown, with the possibility of an earlier repayment at the option of UGC 2003, Inc.

The Cathay Bank Facility is secured by floating charge over the assets of subsidiary and fully guaranteed by UGC 2003, Inc.'s holding company, SunMoon Food Company Limited.

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

|  | <b>Group</b>        |                  |
|--|---------------------|------------------|
|  | <b>YTD</b>          |                  |
|  | <b>31-Dec-15</b>    | <b>31-Dec-14</b> |
|  | <b>Re-presented</b> |                  |
|  | <b>\$'000</b>       | <b>\$'000</b>    |
| <b>Operating activities</b>  |                     |                  |
| Loss from continuing operations before tax                               | (4,154)             | (2,834)          |
| Profit from discontinued operations before tax                           | 2,945               | 1,351            |
| Adjustments for:   |                     |                  |
| Interest expense   | 164                 | 86               |
| Interest income  | (2)                 | (2)              |
| Dividend income  | -                   | (65)             |
| Depreciation   | 788                 | 927              |
| Write off available-for-sale financial asset                             | -                   | 17               |
| Loss on disposal of equipments   | 1                   | -                |
| Allowance for impairment loss on third parties receivables               | 521                 | 769              |
| Write back long overdue third parties payables                           | (40)                | (50)             |
| Allowance for inventory obsolescence                                     | -                   | 254              |
| Write-back of allowance for inventory obsolescence                       | (270)               | (16)             |
| Inventories written off  | -                   | 8                |
| Write off long over due other receivables                                | 2                   | 10               |
| Fair value(gain)/ loss arising from held-for-trading financial asset     | (9)                 | 85               |
| Operating profit before working capital changes                          | (54)                | 540              |
| Change in working capital:   |                     |                  |
| Trade and other receivables  | (2,717)             | (3,583)          |
| Prepayment   | 33                  | (14)             |
| Inventories  | 13,162              | (2,230)          |
| Trade and other payables   | (4,781)             | 4,777            |
| Cash generated from/(used in) operations                                 | 5,643               | (510)            |
| Income tax paid  | (892)               | (635)            |
| <b>Net cash generated from/(used in) operating activities</b>            | <b>4,751</b>        | <b>(1,145)</b>   |
| <b>Investing activities</b>  |                     |                  |
| Interest received  | 2                   | 2                |
| Dividend received  | -                   | 65               |
| Purchase of property, plant and equipment                                | (418)               | (187)            |
| Proceeds from disposal/ (purchases) of held-for-trading financial assets | 199                 | (330)            |
| <b>Net cash used in investing activities</b>                             | <b>(217)</b>        | <b>(450)</b>     |
| <b>Financing activities</b>  |                     |                  |
| Interest paid  | (164)               | (86)             |
| Proceeds from bank loan  | 871                 | 3,648            |
| Repayment of bank loan   | (2,897)             | (2,035)          |
| <b>Cash (outflows)/ inflow from financing activities</b>                 | <b>(2,190)</b>      | <b>1,527</b>     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>              | <b>2,344</b>        | <b>(68)</b>      |
| Cash and cash equivalents at beginning of the year                       | 2,703               | 2,387            |
| Effect of exchange rate fluctuations on cash and cash equivalents        | 243                 | 384              |
| <b>Cash and cash equivalents at end of of the year</b>                   | <b>5,290</b>        | <b>2,703</b>     |

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 year.

**GROUP****Bal at 01/01/2015**

Profit/(loss) for the year

Other comprehensive income

Currency translation difference arising from consolidation

Total comprehensive loss for the year

**Bal at 31/12/2015**

| Share capital  | Capital reserve | Capital reduction reserve | Foreign currency translation reserve | Revaluation reserve | General reserve | Accumulated (losses) | Total equity   |
|----------------|-----------------|---------------------------|--------------------------------------|---------------------|-----------------|----------------------|----------------|
| \$ '000        | \$ '000         | \$ '000                   | \$ '000                              | \$ '000             | \$ '000         | \$ '000              | \$ '000        |
| <b>124,508</b> | <b>944</b>      | <b>18,384</b>             | <b>1,971</b>                         | <b>2,510</b>        | <b>2,201</b>    | <b>(137,846)</b>     | <b>12,672</b>  |
| -              | -               | -                         | -                                    | -                   | -               | (2,101)              | (2,101)        |
| -              | -               | -                         | 622                                  | -                   | -               | -                    | 622            |
| -              | -               | -                         | <b>622</b>                           | -                   | -               | <b>(2,101)</b>       | <b>(1,479)</b> |
| <b>124,508</b> | <b>944</b>      | <b>18,384</b>             | <b>2,593</b>                         | <b>2,510</b>        | <b>2,201</b>    | <b>(139,947)</b>     | <b>11,193</b>  |

**COMPANY****Bal at 01/01/2015**

Total comprehensive loss for the year

**Bal at 31/12/2015**

|                |   |               |   |   |   |                  |               |
|----------------|---|---------------|---|---|---|------------------|---------------|
| <b>124,508</b> | - | <b>18,384</b> | - | - | - | <b>(127,401)</b> | <b>15,491</b> |
| -              | - | -             | - | - | - | (10,250)         | (10,250)      |
| <b>124,508</b> | - | <b>18,384</b> | - | - | - | <b>(137,651)</b> | <b>5,241</b>  |

**GROUP****Bal at 01/01/2014**

Loss for the year

Other comprehensive income

Currency translation difference arising from consolidation

Total comprehensive loss for the year

**Bal at 31/12/2014**

| Share capital  | Capital reserve | Capital reduction reserve | Foreign currency translation reserve | Revaluation reserve | General reserve | Accumulated (losses) | Total equity   |
|----------------|-----------------|---------------------------|--------------------------------------|---------------------|-----------------|----------------------|----------------|
| \$ '000        | \$ '000         | \$ '000                   | \$ '000                              | \$ '000             | \$ '000         | \$ '000              | \$ '000        |
| <b>124,508</b> | <b>944</b>      | <b>18,384</b>             | <b>1,523</b>                         | <b>2,510</b>        | <b>2,201</b>    | <b>(135,740)</b>     | <b>14,330</b>  |
| -              | -               | -                         | -                                    | -                   | -               | (2,106)              | (2,106)        |
| -              | -               | -                         | 448                                  | -                   | -               | -                    | 448            |
| -              | -               | -                         | <b>448</b>                           | -                   | -               | <b>(2,106)</b>       | <b>(1,658)</b> |
| <b>124,508</b> | <b>944</b>      | <b>18,384</b>             | <b>1,971</b>                         | <b>2,510</b>        | <b>2,201</b>    | <b>(137,846)</b>     | <b>12,672</b>  |

**COMPANY****Bal at 01/01/2014**

Total comprehensive loss for the year

**Bal at 31/12/2014**

|                |   |               |   |   |   |                  |               |
|----------------|---|---------------|---|---|---|------------------|---------------|
| <b>124,508</b> | - | <b>18,384</b> | - | - | - | <b>(127,668)</b> | <b>15,224</b> |
| -              | - | -             | - | - | - | 267              | 267           |
| <b>124,508</b> | - | <b>18,384</b> | - | - | - | <b>(127,401)</b> | <b>15,491</b> |

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

As at 31 December 2014, the total number of ordinary shares issued by the Company was 318,784,382.

There was no change to the number of ordinary shares during the year ended 31 December 2015.

**Note 1 Net assets subject to bank collaterals and guarantees, and contingent liabilities**

During the financial period ended 31 December 2008, one of the former subsidiaries (the "Borrowing Subsidiary") of the Group had defaulted on the repayment of the loans ("Loans") from the PRC Dongguan Agricultural Bank of China (the "Bank"). The Loans were secured on the mortgages of land and buildings belonging to the Borrowing Subsidiary and another subsidiary (the "Collateral Subsidiary"). The Borrowing Subsidiary and the Collateral Subsidiary have since been disposed in FY2009.

There are three subsidiaries which have furnished corporate guarantees to support the Loans. These three subsidiaries have ceased operations, do not possess significant assets and are presently dormant. These corporate guarantees may be called upon by the Bank. The three remaining subsidiaries are still subject to corporate guarantees in respect of the PRC Dongguan Agricultural Bank of China bank loan and may be subject to claims. The Company is unable to ascertain the likelihood, outcome and quantum of these potential claims. However, for these three subsidiaries, whether arising from the corporate guarantees or otherwise, a legal opinion was obtained and the Company is of the view that any action that may be taken by the Bank or any other creditors is unlikely to significantly affect the operation of the Group as these three subsidiaries have ceased operations, do not possess significant assets and are presently dormant. The exposure to the Group in respect of any contingent claim arising from the above-mentioned corporate guarantees is limited to the net assets of these three dormant subsidiaries.

As at 31 December 2015, the three dormant subsidiaries have negative net assets and have been consolidated. In addition, the remaining assets of the three subsidiaries amounting to \$3.5 million in FY2009 that are still subject to bank collateral and guarantees have been fully impaired since 31 December 2009 and no further impairment has been made during this period in respect to these claims.

**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 for the year ended 31 December 2015 have not been audited nor reviewed by the Company's auditors.

**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.**

Save as disclosed in note No. 5 below, the Group has consistently applied the same accounting policies and methods of computation in the current quarter and comparative figures.

**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/amended Financial Reporting Standards ("FRS") which are relevant to the Group with effect from 1 January 2015. The adoption of the new/amended FRS have no significant impact on the Group's accounting policy and financial statements.



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

|  | <b>Group<br/>(Continuing operation)</b> |                  | <b>Group<br/>(Including discontinued operation)</b> |                  |
|--|---|------------------|---|------------------|
|  | <b>YTD</b>                              |                  | <b>YTD</b>  |                  |
|  | <b>31-Dec-15</b>                        | <b>31-Dec-14</b> | <b>31-Dec-15</b>                                    | <b>31-Dec-14</b> |
|  | <b>\$ '000</b>                          | <b>\$ '000</b>   | <b>\$ '000</b>                                      | <b>\$ '000</b>   |
| Earnings/(loss) attributable to shareholders   | (4,154)                                 | (2,834)          | (2,101)   | (2,106)          |
| Earnings/(loss) used to determine diluted earnings per share                               | (4,154)                                 | (2,834)          | (2,101)   | (2,106)          |
| Weighted average number of ordinary shares applicable to basic earnings per share ('000)   | 318,784                                 | 318,784          | 318,784   | 318,784          |
| Weighted average number of ordinary shares applicable to diluted earnings per share ('000) | 318,784                                 | 318,784          | 318,784   | 318,784          |
| Earnings/(loss) per ordinary share, in cents :   |   |                  |   |                  |
| - basic  | (1.3031)                                | (0.8891)         | (0.6591)  | (0.6607)         |
| - fully diluted  | (1.3031)                                | (0.8891)         | (0.6591)  | (0.6607)         |

**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 year.**

|                            | <b>As at<br/>31-Dec-15<br/>cents</b> | <b>As at<br/>31-Dec-14<br/>cents</b> |
|----------------------------|--------------------------------------|--------------------------------------|
| Group                      | 3.51                                 | 3.98                                 |
| Company                    | 1.64                                 | 4.86                                 |
| No of issued shares ('000) | 318,784                              | 318,784                              |

The calculation of net asset value per ordinary share is based on the number of ordinary shares of the Company as at 31 December 2015 and 31 December 2014 respectively.

**No. 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial year 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 year reported on.**

**YTD15 vs.YTD14**

- (1) The Group's revenue decreased from \$15.86 million (YTD14) to \$14.09 million (YTD15). This was mainly due to the decrease in sales as a result of quota restriction in Indonesia market.
- (2) Gross profit for YTD15 was \$1.026 million (margin 7.28%) compared to gross profit of \$1.129 million (margin 7.11%) in YTD14.
- (3) The administrative expenses increased mainly due to compensation to Ntan Case after final settlement in YTD15.
- (4) Profit/Loss continuing operations for YTD15  
The Group's loss before tax from continuing operations for YTD15 was \$4.15 million, compared to \$2.83 million for YTD14 mainly due to the reason stated above in item 3.
- (5) Profit from discontinued operations for YTD15  
The discontinued group profit before tax for YTD15 was \$2.94 million compared to \$1.35 million for YTD14. This was mainly due to increased sales of dehydrated inventories in YTD15.
- (6) The Group's EBITDA from both continuing and discontinued operations for YTD15 was negative \$257,000 compared to negative \$470,000 for YTD14.
- (7) Operating cash flow  
The net cash inflow from operating activities for YTD15 was \$4.75 million compared to \$1.15 million outflow for YTD14. This was mainly due to sales of dehydrated inventories.
- (8) Material fluctuation in balance sheet items  
There were no material fluctuations in balance sheet items except for the following items:
  - (a) Increase in cash and cash equivalent due to sale of dehydrated inventories;
  - (b) Decrease in held-for-trading financial assets due to partial sale of financial asset;
  - (c) Increase in trade and receivables was mainly due to trade receivables increased from \$6.5 million to \$9.1 million. This was mainly due to increase sales from both continuing and discontinued operations and longer period of customers' payment;
  - (d) Decrease trade and other payable were mainly due to decrease trade payable from \$7.9 million to \$1.5 million, this was mainly due to prompt payment to suppliers and no more purchase of raw materials for dehydrated production;
  - (e) Decrease in inventories was mainly due to sale of dehydrated inventories and cessation production of dehydrated products;
  - (f) Decrease in bank loan was due to the loan being fully repaid to ICBC bank and reduced borrowing from Cathay bank.

**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 has stepped up its marketing and sales efforts for its range of fresh and processed fruit products in Singapore, China and Indonesia.

The Group has shifted its focus from dehydrated products to developing the company vision of becoming a consumer focused distributor and marketer of branded high quality fruits, vegetables and products.

On 14 April 2014, the Company had made announcement in relation to the Writ of Summons served by nTan Corporate Advisory Pte Ltd ("nTan") on 10 April 2014 in Suit No. 936 of 2013 (the "Suit").

On 19 October 2015, the Company and nTan have signed an agreement in full and final settlement in relation to nTan's claim in the Suit (the "Settlement"). As part of the settlement, the Company will pay to nTan a sum of \$2,111,000 (the "Settlement") plus 7% GST by instalments. The Company had provided for approximately half of the Settlement Sum in previous years, the remaining sum was provided in the fourth quarter, and all payments will be made from the Company's internal resources. The Settlement had a significant impact on the Company's financial performance for the current financial year. Following this settlement, nTan has discontinued the Suit and has confirmed that it has no further claim against the Company for any professional fees.

On 1 October 2015, the subsidiary of the Company - Taian FHTK signed agreement with Taian Fei Hui Tong Kai (the lessee) for sale of dehydrated inventories of RMB 26.6 million (approximately S\$5.8 million), payable in 5 installments from 1 Nov 2015 to 1 Mar 2016.

On 10 February 2016, the Company announced a proposed acquisition of ordinary shares representing 12% of the total issued share capital of Harvest Seasons Singapore Pte. Ltd. On 19 February 2016, The Company announced an updated announcement in relating to this proposed acquisition.

**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**

(In \$ '000)

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

The aggregate value of interested person transactions entered into during the reporting year ended 31 December 2015 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) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|---------------------------|---|---|
| None                      | -   | -   |

**No 14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

The reportable segment profit and loss has been determined using the same accounting policy of the Group.

The Group has categorised the business of the Group into the following segments, Agricultural Products (comprising the sales of Garlic & Onion), Fruits and Others.

| Business Segments                                   | <i>Discontinued operation</i> | <i>Continuing operation</i> |                    |                    |                   |                     |
|---|-------------------------------|-----------------------------|--------------------|--------------------|-------------------|---------------------|
|   | <b>Agricultural Products</b>  | <b>Fruits</b>               | <b>Unallocated</b> | <b>Elimination</b> | <b>Adjustment</b> | <b>Consolidated</b> |
|   | <b>Full Year</b>              | <b>Full Year</b>            | <b>Full Year</b>   | <b>Full Year</b>   | <b>Full Year</b>  | <b>Full Year</b>    |
|   | <b>\$ '000</b>                | <b>\$ '000</b>              | <b>\$ '000</b>     | <b>\$ '000</b>     | <b>\$ '000</b>    | <b>\$ '000</b>      |
| <b>2015</b>   |                               |                             |                    |                    |                   |                     |
| <b>Revenue</b>                                      |                               |                             |                    |                    |                   |                     |
| External Revenue                                    | 26,973                        | 14,093                      | -                  | -                  | (26,973)          | 14,093              |
| Inter- segment revenue                              | 6,574                         | 187                         | -                  | (6,761)            | (6,574)           | -                   |
|   |                               |                             |                    |                    | -                 |                     |
| <b>Results</b>                                      |                               |                             |                    |                    |                   |                     |
| Segment results                                     | 3,107                         | (827)                       | 49                 | (3,376)            | (3,107)           | (4,154)             |
| Interest income                                     | 2                             | -                           | -                  | -                  | (2)               | -                   |
| Finance cost  | (165)                         | -                           | -                  | -                  | 165               | -                   |
| Reportable segment profit/(loss) before tax         | 2,944                         | (827)                       | 49                 | (3,376)            | (2,944)           | (4,154)             |
| Income tax expenses                                 |                               |                             |                    |                    |                   | (892)               |
| Total profit for the financial year                 |                               |                             |                    |                    |                   | (5,046)             |
| <b>Non-cash items</b>                               |                               |                             |                    |                    |                   |                     |
| Depreciation of property, plant and equipment       | (745)                         | (32)                        | (11)               | -                  | -                 | (788)               |
| Write-back of allowance for inventory obsolescence  | 270                           | -                           | -                  | -                  | (270)             | 270                 |
| Write-off inventories                               | -                             | (10)                        | -                  | -                  | -                 | (10)                |
| Write off trade and other receivable                | -                             | -                           | -                  | -                  | -                 | -                   |
| Impairment loss on trade and other receivables      | -                             | (521)                       | -                  | -                  | -                 | (521)               |
| <b>Capital expenditure</b>                          |                               |                             |                    |                    |                   |                     |
| Property,plant and equipment                        | 312                           | 106                         | -                  | -                  |                   | 418                 |
| <b>Assets and liabilities</b>                       |                               |                             |                    |                    |                   |                     |
| Segment assets                                      | 24,451                        | 5,589                       | 14,195             | (24,698)           | -                 | 19,537              |
| Current income tax recoverable                      |                               |                             |                    |                    |                   | -                   |
|   |                               |                             |                    |                    |                   | 19,537              |
| Segment liabilities                                 | 20,001                        | 12,428                      | 12,143             | (35,851)           | -                 | 8,721               |
| Current income tax payable                          |                               |                             |                    |                    |                   | -                   |
|   |                               |                             |                    |                    |                   | 8,721               |
| <b>2014</b>   |                               |                             |                    |                    |                   |                     |
| <b>Revenue</b>                                      |                               |                             |                    |                    |                   |                     |
| External Revenue                                    | 21,915                        | 15,860                      | 1                  | -                  | (21,915)          | 15,861              |
| Inter- segment revenue                              | 9,520                         | 11                          | -                  | (9,531)            | -                 | -                   |
|   | 31,435                        | 15,871                      | 1                  | (9,531)            | (21,915)          | 15,861              |
| <b>Results</b>                                      |                               |                             |                    |                    |                   |                     |
| Segment results                                     | 633                           | (1,750)                     | 287                | (569)              | (633)             | (2,032)             |
| Interest income                                     | 2                             | -                           | -                  | -                  | (2)               | -                   |
| Finance cost  | (86)                          | -                           | -                  | -                  | 86                | -                   |
| Reportable segment profit/(loss) before tax         | 549                           | (1,750)                     | 287                | (569)              | (549)             | (2,032)             |
| Income tax expenses                                 |                               |                             |                    |                    |                   | (623)               |
| Total profit for the financial year                 |                               |                             |                    |                    |                   | (2,655)             |
| <b>Non-cash items</b>                               |                               |                             |                    |                    |                   |                     |
| Depreciation of property, plant and equipment       | (887)                         | (18)                        | (22)               | -                  | -                 | (927)               |
| Write-back of allowance for inventory obsolescence  | 16                            | -                           | -                  | -                  | -                 | 16                  |
| Allowance for inventory obsolescence                | (254)                         | -                           | -                  | -                  | -                 | (254)               |
| Write-off inventories                               | -                             | (8)                         | -                  | -                  | -                 | (8)                 |
| Write off other receivable                          | (10)                          | -                           | -                  | -                  | -                 | (10)                |
| Fair value loss on held-for-trading financial asset | (85)                          | -                           | -                  | -                  | -                 | (85)                |
| Impairment loss on trade and other receivables      | -                             | (769)                       | -                  | -                  | -                 | (769)               |
| Write back of long overdue payables                 | -                             | -                           | 50                 | -                  | -                 | 50                  |
| <b>Capital expenditure</b>                          |                               |                             |                    |                    |                   |                     |
| Property,plant and equipment                        | 172                           | 15                          | -                  | -                  | -                 | 187                 |
| <b>Assets and liabilities</b>                       |                               |                             |                    |                    |                   |                     |
| Segment assets                                      | 28,205                        | 4,196                       | 20,639             | (24,899)           | -                 | 28,141              |
| Current income tax recoverable                      | -                             | -                           | -                  | -                  | -                 | -                   |
|   |                               |                             |                    |                    |                   | 28,141              |
| Segment liabilities                                 | 30,558                        | 17,801                      | 131,552            | (164,442)          | -                 | 15,469              |
| Current income tax payable                          | -                             | -                           | -                  | -                  | -                 | -                   |
|   |                               |                             |                    |                    |                   | 15,469              |

| Geographical Segment          | Revenue   |         | Non-Current Assets |         |
|-------------------------------|-----------|---------|--------------------|---------|
|                               | Full Year |         | Full Year          |         |
|                               | 2015      | 2014    | 2015               | 2014    |
|                               | \$ '000   | \$ '000 | \$ '000            | \$ '000 |
| ASEAN                         | 10,222    | 10,502  | 112                | 51      |
| Asia Pacific(excluding ASEAN) | 3,215     | 5,152   | -                  | -       |
| Others                        | 656       | 207     | -                  | -       |
|                               | 14,093    | 15,861  | 112                | 51      |

**No 15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to No.8 (Page 9)

**No 16. A breakdown of sales (continuing operations)**

|  | <b>Group</b>                   |                                |          |
|--|--------------------------------|--------------------------------|----------|
|  | <b>Full Year</b>               |                                |          |
|  | <b>01-Jan-15<br/>31-Dec-15</b> | <b>01-Jan-14<br/>31-Dec-14</b> |          |
|  | <b>\$ '000</b>                 | <b>\$ '000</b>                 | <b>%</b> |
| (a) Sales reported for the first six months                          | 6,115                          | 8,210                          | -25.5%   |
| (b) Operating profit after tax reported for first six months         | (1,206)                        | (995)                          | 21.2%    |
| (c) Sales reported for the second six months                         | 7,978                          | 7,651                          | 4.3%     |
| (d) Operating (loss)/profit after tax reported for second six months | (2,948)                        | (1,839)                        | n.m      |

**No 17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

**No.18 Report of persons occupying a managerial position who is a relative of a director or chief executive officer or substantial shareholder.**

For the Year ended 31 December 2015

| Name                | Age | Family relationship with any director, CEO and /or substantial shareholder               | Current position and duties, and the year the position was held  | Details of changes in duties and position held, if any, during the year |
|---------------------|-----|--|--|---|
| Gary Loh Hock Chuan | 50  | Gary Loh Hock Chuan is the husband of Selena Cheng Koh Min, the substantial shareholder. | - Deputy Chairman from 22 May 2007 to 6 October 2013<br>-Executive Chairman since 7 October 2013<br>- Executive Director since 1 July 2007   | Nil   |
| Loh Quek Hiang      | 54  | Sister of Gary Loh Hock Chuan (Executive Chairman, and substantial shareholder).         | -Legal Representative and Director for subsidiary, Taian Fook Huat Tong Kee Foodstuffs Co.,Ltd. since 2 July 2009<br><br>- Legal Representative and Director for subsidiary, SunMoon Food (Shanghai) Co., Ltd. since 25 March 2009 | Nil   |

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 2015 to be false or misleading in any material aspect.

On behalf of the Directors

(signed)  
Gary Loh Hock Chuan  
Director

(signed)  
Michael John Martin  
Director

29-Feb-16