



---

**First Quarter Financial Statements Announcement for the Period Ended 30-Jun-2017**

---

<b>Table of Contents</b>	<b>Page No:</b>
1 (a) Consolidated Statement of Comprehensive Income	1
1 (b) (i) Statements of Financial Position	2
1 (b) (ii) Note on Borrowings and Debt Securities	3
1 (c) Consolidated Statement of Cash Flows	4
1 (d) Statements of Changes In Shareholders' Equity	5
1 (e) Notes to Financial Statements	6
2, 3 Audit / Review	6
4, 5 Accounting Policies	6
6 Earnings Per Share	7
7 Net Asset Value	7
8 Review of Performance	8
9 Variance From Prospect Statement	9
10 Commentary of the Competitive Conditions	9
11, 12 Dividend	9
13 Interested Person Transactions	10
14 Confirmation By The Board	11

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.

	Group		Change
	First Quarter Ended 30-Jun-17	30-Jun-16	
	\$ '000	\$ '000	%
<b>Continuing operations</b>			
Revenue	6,166	4,340	42%
Cost of sales	(5,680)	(3,957)	44%
<b>Gross profit</b>	<b>486</b>	<b>383</b>	27%
Other income	88	127	-31%
Selling & Distribution costs	(341)	(400)	-15%
Administrative expenses	(698)	(595)	17%
Other expenses	(31)	(24)	29%
Finance costs	(1)	(1)	0%
<b>Loss before income tax</b>	<b>(497)</b>	<b>(510)</b>	-3%
Income tax expense	-	-	
<b>Loss from continuing operations for the period,net of income tax</b>	<b>(497)</b>	<b>(510)</b>	-3%
<b>Loss from discontinued operations for the period,net of income tax</b>	<b>-</b>	<b>(407)</b>	-100%
<b>Total loss for the period</b>	<b>(497)</b>	<b>(917)</b>	-46%
<b>Other comprehensive income :</b>			
<b>Reclassification to profit or loss on disposal of subsidiaries</b>			
- General Reserve	(82)	-	
- Foreign Exchange Translation Reserve	5	-	
<b>Item that may be reclassified subsequently to profit or loss</b>			
Exchange difference on translating foreign operations	26	(91) n.m	
<b>Total comprehensive loss for the period</b>	<b>(548)</b>	<b>(1,008)</b>	-46%
<b>EBITDA</b>	<b>(393)</b>	<b>(878)</b>	-55%
<b><u>Profit /(loss)for the period included the following</u></b>			
Depreciation of property, plant & equipment	(16)	(61)	
Amortisation of intangible assets	(87)	-	
Interest expenses	(1)	(28)	
Income tax refund	-	50	
<b>Other income included:</b>			
- Government grant	2	56	
- Dividend income	-	61	
- Interest income	-	4	
- Other income	3	-	
- Franchise income	6	6	
- Net gain on foreign exchange	-	-	
- Gain on disposal of subsidiaries	77	-	
	<b>88</b>	<b>127</b>	

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

	Group		Company	
	As at 30-Jun-17	As at 31-Mar-17	As at 30-Jun-17	As at 31-Mar-17
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Subsidiaries	-	-	15,090	13,823
Other Investments	753	-	-	-
Property, plant and equipment	151	167	-	-
Intangible assets	3,062	3,000	-	-
Total non-current assets	3,966	3,167	15,090	13,823
<b>Current assets</b>				
Cash and cash equivalents	1,877	557	943	109
Trade and other receivables	7,984	10,534	2,671	5,240
Prepayments	618	404	6	20
Inventories	60	177	-	-
Total current assets	10,539	11,672	3,620	5,369
<b>Total assets</b>	14,505	14,839	18,710	19,192
<b>Equity attributable to equity holders of the Company</b>				
Share capital	124,508	124,508	124,508	124,508
Capital reserve	-	944	-	-
Capital reduction reserve	18,384	18,384	18,384	18,384
Foreign currency translation reserve	648	617	-	-
General reserve	150	232	-	-
Accumulated losses	(136,858)	(137,305)	(128,898)	(128,457)
<b>Total equity</b>	6,832	7,380	13,994	14,435
<b>Non-current liabilities :</b>				
Finance leases obligation	65	65	-	-
<b>Current liabilities</b>				
Trade payables	3,179	1,908	-	-
Other payables	4,418	5,471	1,994	1,997
Amount owing to subsidiary	-	-	2,722	2,760
Finance leases obligation	11	15	-	-
Total current liabilities	7,608	7,394	4,716	4,757
<b>Total liabilities</b>	7,673	7,459	4,716	4,757
<b>Total liabilities and equity</b>	14,505	14,839	18,710	19,192

**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 30-Jun-17		As At 31-Mar-17	
	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.**

	<b>Group</b>	
	<b>First Quarter Ended</b>	<b>30-Jun-16</b>
	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>		
Loss before income tax from continuing operations	(497)	(510)
Loss from discontinued operations before tax	-	(457)
Adjustments for:		
Interest expense	1	28
Interest income	-	(2)
Dividend income	-	(61)
Depreciation of property, plant and equipment	16	61
Amortisation of intangible asset	87	-
Gain on disposal of subsidiaries	(77)	-
Operating loss before working capital changes	(470)	(941)
Change in working capital:		
Trade and other receivables	2,335	(1,469)
Inventories	117	(239)
Trade and other payables	218	280
Cash generated from / (used in) operations	2,200	(2,369)
Income tax refund	-	44
<b>Net cash generated from/(used in) operating activities</b>	<b>2,200</b>	<b>(2,325)</b>
<b>Investing activities</b>		
Interest received	-	2
Dividend received	-	61
Purchase of property, plant and equipment	(150)	(19)
Increase in investment - others	(753)	-
Other investments purchased	-	3
<b>Net cash generated from/(used in) investing activities</b>	<b>(903)</b>	<b>47</b>
<b>Financing activities</b>		
Interest paid	(1)	(28)
Repayment of finance lease	(4)	(3)
Proceed from bank loan borrowings	-	2,031
Repayment of bank loan borrowings	-	(115)
<b>Cash (used in)/generated from financing activities</b>	<b>(5)</b>	<b>1,885</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>1,292</b>	<b>(393)</b>
Cash and cash equivalents at beginning of the period	557	5,230
Effect of exchange rate fluctuations on cash and cash equivalents	28	13
<b>Cash and cash equivalents at end of of the period</b>	<b>1,877</b>	<b>4,850</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 period.**

**GROUP****Bal at 01/04/2017**

Gain for the period

Other comprehensive loss

Reclassification on disposal of subsidiaries

Currency translation difference arising from consolidation

Total comprehensive loss for the period

Reclassification on disposal of subsidiaries

**Bal at 30/06/2017****COMPANY****Bal at 01/04/2017**

Total comprehensive loss for the period

**Bal at 30/06/2017**

	Share capital	Capital reserve	Capital reduction reserve	Foreign currency translation reserve	Revaluation reserve	General reserve	Accu- mulated (losses)	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Bal at 01/04/2017</b>	<b>124,508</b>	<b>944</b>	<b>18,384</b>	<b>617</b>	<b>-</b>	<b>232</b>	<b>(137,305)</b>	<b>7,380</b>
Gain for the period	-	-	-	-	-	-	(497)	(497)
<u>Other comprehensive loss</u>	-	-	-	-	-	-	-	-
Reclassification on disposal of subsidiaries	-	-	-	5	-	(82)	-	(77)
Currency translation difference arising from consolidation	-	-	-	26	-	-	-	26
Total comprehensive loss for the period	-	-	-	<b>31</b>	<b>-</b>	<b>(82)</b>	<b>(497)</b>	<b>(548)</b>
Reclassification on disposal of subsidiaries	-	(944)	-	-	-	-	<b>944</b>	-
<b>Bal at 30/06/2017</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>648</b>	<b>-</b>	<b>150</b>	<b>(136,858)</b>	<b>6,832</b>
<b>Bal at 01/04/2017</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(128,457)</b>	<b>14,435</b>
Total comprehensive loss for the period	-	-	-	-	-	-	(441)	<b>(441)</b>
<b>Bal at 30/06/2017</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(128,898)</b>	<b>13,994</b>

**GROUP****Bal at 01/04/2016**

Loss for the period

Other comprehensive loss

Currency translation difference arising from consolidation

Total comprehensive loss for the period

**Bal at 30/06/2016****COMPANY****Bal at 01/04/2016**

Total comprehensive loss for the period

**Bal at 30/06/2016**

	Share capital	Capital reserve	Capital reduction reserve	Foreign currency translation reserve	Revaluation reserve	General reserve	Accu- mulated (losses)	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Bal at 01/04/2016</b>	<b>124,508</b>	<b>944</b>	<b>18,384</b>	<b>2,263</b>	<b>2,510</b>	<b>2,201</b>	<b>(141,424)</b>	<b>9,386</b>
Loss for the period	-	-	-	-	-	-	(917)	(917)
<u>Other comprehensive loss</u>	-	-	-	-	-	-	-	-
Currency translation difference arising from consolidation	-	-	-	(91)	-	-	-	(91)
Total comprehensive loss for the period	-	-	-	<b>(91)</b>	<b>-</b>	<b>-</b>	<b>(917)</b>	<b>(1,008)</b>
<b>Bal at 30/06/2016</b>	<b>124,508</b>	<b>944</b>	<b>18,384</b>	<b>2,172</b>	<b>2,510</b>	<b>2,201</b>	<b>(142,341)</b>	<b>8,378</b>
<b>Bal at 01/04/2016</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(137,894)</b>	<b>4,998</b>
Total comprehensive loss for the period	-	-	-	-	-	-	(328)	<b>(328)</b>
<b>Bal at 30/06/2016</b>	<b>124,508</b>	<b>-</b>	<b>18,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(138,222)</b>	<b>4,670</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 report on and as at end of the corresponding period of the immediately preceding financial period.**

As at 31 March 2017, 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 period ended 30 June 2017

**Note 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 financial statements on the consolidated results for the quarter ended 30 June 2017 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.**

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 or revised Financial Reporting Standards ("FRS") which are relevant to the Group with effect from 1 April 2017. The adoption of the new/revised FRS has no significant impact on the Group's accounting policy and 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.**

	<b>Group</b>	
	<b>First Quarter Ended</b>	
	<b>(Continuing operation)</b>	
	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	<b>\$ '000</b>	<b>\$ '000</b>
Loss attributable to shareholders	(497)	(510)
Loss used to determine diluted earnings per share	(497)	(510)
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	318,784	318,784
Weighted average number of ordinary shares applicable to diluted earnings per share ('000)	318,784	318,784
Loss per ordinary share, in cents :		
- basic	(0.1559)	(0.1600)
- fully diluted	(0.1559)	(0.1600)

**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.**

	<b>As at 30-Jun-17 cents</b>	<b>As at 31-Mar-17 cents</b>
Group	2.14	2.32
Company	4.39	4.53
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 30 June 2017 and 31 March 2017 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 period 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.**

#### **1Q17 vs.1Q16**

- 1 The Group revenue increased by 42.1% to \$6.2 million in 1Q17 compared to 1Q16 of \$4.3 million. The increase was mainly due to sales to Shanghai YiGuo E-Commence Co. Ltd ("Yiguo") (58.9% of Group revenue).
- 2 Gross profit for 1Q17 was \$486,000 (margin 7.9%) compared to \$383,000 (margin 8.8%) in 1Q16. The decrease in margin is mainly due to Other Investment (4.8%).
- 3 The decrease in other income is mainly due to the reduction in government grant and dividend income of \$61,000 received from Other Investments in 1Q16.
- 4 Depreciation for 1Q17 was \$16,000 compared to \$61,000 in 1Q16. This was mainly due to cessation of depreciation and disposal of subsidiaries in March 2017.
- 5 Amortisation for intangible asset was acquired in March 2017 and new accounting system go live in April 2017 \$87,000 for 1Q17.
- 6 Loss from continuing operations for the period: -  
The Group loss from continuing operations before tax for 1Q17 was \$497,000, which was comparable to \$510,000 for 1Q16.
- 7 Discontinued operations for the period: -  
The subsidiaries in discontinued operations had been disposed in quarter ended March 2017. There was a loss of \$407,000 in 1Q16.
- 8 The Group total loss after tax for 1Q17 was \$497,000 compared to \$917,000 in 1Q16. The reason was as stated in item (7) above.
- 9 The Group EBITDA for 1Q17 was negative \$393,000 compared to \$879,000 for 1Q16. The movement was mainly due to item 7.
- 10 Operating cash flow  
The Group net cash inflow from operating activities for 1Q17 was \$2.2 million compared to net outflow of \$2.3 million for 1Q16. The increase in cash inflow was mainly due to the receipt of partial proceeds from disposal of the subsidiaries in March 2017.
- 11 Material fluctuation in balance sheet items
  - (a) Increase in other investment arises from conversion of trade receivables from Shanghai Chibin (related to Harvest Season China) to equity investment Harvest Season Pte Ltd (\$753,000 or 6.3% shares) in 1Q17;
  - (b) Increase in intangible assets was due to capitalised Netsuite ERP system since it was went live in April 2017;
  - (c) Decrease in trade receivables mainly due to conversion of debt to equity as mentioned in item 11(a) above; decrease in other receivables mainly due to receipt of partial of the proceeds from disposal of subsidiaries as per mentioned in item (10);
  - (d) Increase in prepayments was mainly due to increased advance payments to suppliers to secure procurement;
  - (e) Decrease in inventories was mainly due to efficient management of stock;
  - (f) Decrease in capital reserve was due to disposal of foreign subsidiaries;
  - (g) Decrease in general reserve was due to disposal of foreign subsidiaries;
  - (h) Increase in trade payables was mainly due to increase purchases towards end of the period;
  - (i) Decrease in other payables was mainly due to payments made to non-trade creditors in 1Q17.

**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 is stepping up its marketing and sales efforts for its range of processed fruit products in Singapore, China and Indonesia.

On 5 July 2017, in accordance with the terms of the Placement Agreement, pursuant to which the Company has allotted and issued (a) 333,333,333 Placement Shares, (b) 67,607,078 Adjustment Shares and (c) 166,666,667 Warrants to Yiguo General Food Pte Ltd.

Yiguo is principally involved in the business of providing delivery of high-quality fresh food to household and business consumers in China.

**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 not obtained a general mandate from shareholders for Interested Person Transactions.

The aggregate value of interested person transactions entered into during the reporting period ended 30 June 2017 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 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	3,630	3,630

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 30 June 2017 to be false or misleading in any material aspect.

On behalf of the Directors

(signed)  
Mr Gary Loh Hock Chuan  
Director

(signed)  
Mrs Jessie Peh  
Director

11 August 2017