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**First Quarter Financial Statements Announcement for the Period Ended 31-March-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 period.

	<b>Group</b>		<b>Change</b>
	<b>1st Quarter Ended</b>		
	<b>31-Mar-15</b>	<b>31-Mar-14</b>	
	<b>\$ '000</b>	<b>\$ '000</b>	<b>%</b>
Revenue	8,252	9,949	-17%
Cost of sales	-6,140	-8,050	-24%
<b>Gross profit</b>	<b>2,112</b>	<b>1,899</b>	11%
Other income	117	132	-11%
Selling & Distribution costs	-727	-667	9%
Administrative expenses	-1,255	-1,151	9%
Other expenses	-6	-45	-87%
Finance costs	-46	-21	119%
<b>Profit before tax</b>	<b>195</b>	<b>147</b>	33%
Income tax expense	-121	-4	n.m
<b>Profit for the period</b>	<b>74</b>	<b>143</b>	-48%
			n.m
<b>Other comprehensive income :</b>			n.m
Exchange difference on translating foreign operations	455	-141	n.m
<b>Total comprehensive income for the period</b>	<b>529</b>	<b>2</b>	n.m
			n.m
<b>EBITDA</b>	<b>484</b>	<b>398</b>	22%
<b><u>Profit for the period included the following</u></b>			
Depreciation of property, plant & equipment	-243	-230	
Interest expenses	-46	-21	
Allowance for doubtful debts	-	-10	
<b>Other income included:</b>			
- Government grant	14	8	
- Interest income	-	1	
- Provision written-back on inventories	-	1	
- Impairment written-back on assets subject to bank guarantees	-	81	
- Disposal of scrap material	2	2	
- Franchise income	6	6	
- Net gain on foreign exchange	95	33	
	<b>117</b>	<b>132</b>	

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

	Group		Company	
	As at 31-Mar-15	As at 31-Dec-14	As at 31-Mar-15	As at 31-Dec-14
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Subsidiaries	-	-	19,133	18,930
Property, plant and equipment	4,349	4,416	4	6
<b>Total non-current assets</b>	<b>4,349</b>	<b>4,416</b>	<b>19,137</b>	<b>18,936</b>
<b>Current assets</b>				
Cash and cash equivalents	2,870	2,703	480	498
Held-for-trading financial asset	252	242	-	0
Trade receivables	5,472	6,546	-	-
Other receivables and prepayments	392	803	34	33
Inventories	11,293	13,431	-	-
<b>Total current assets</b>	<b>20,279</b>	<b>23,725</b>	<b>514</b>	<b>531</b>
<b>Total assets</b>	<b>24,628</b>	<b>28,141</b>	<b>19,651</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
Capital reserve	944	944	-	-
Capital reduction reserve	18,384	18,384	18,384	18,384
Foreign currency translation reserve	2,426	1,971	-	-
Asset revaluation reserve	2,510	2,510	-	-
General reserve	2,201	2,201	-	-
Accumulated losses	-137,772	-137,846	-127,266	-127,401
<b>Total equity</b>	<b>13,201</b>	<b>12,672</b>	<b>15,626</b>	<b>15,491</b>
<b>Current liabilities</b>				
Bank loan - secured	3,588	2,658	-	-
Trade payables	1,852	6,941	-	-
Other payables	5,987	5,870	2,708	2,672
Amount owing to subsidiary	-	-	1,317	1,304
Provision for taxation	-	-	-	-
<b>Total current liabilities</b>	<b>11,427</b>	<b>15,469</b>	<b>4,025</b>	<b>3,976</b>
<b>Total liabilities</b>	<b>11,427</b>	<b>15,469</b>	<b>4,025</b>	<b>3,976</b>
<b>Total liabilities and equity</b>	<b>24,628</b>	<b>28,141</b>	<b>19,651</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-Mar-15		As At 31-Dec-14	
	Secured	Unsecured	Secured	Unsecured
Bank loans	3,588	-	2,658	-

**Details of any collateral**

In September 2014, Taian FHTK availed itself of a fresh facility from the Industrial and Commercial Bank of China ("ICBC") via a working capital loan of RMB6 million (the "ICBC Loan"). The ICBC Loan is repayable in August 2015.

In January 2015, Taian FHTK obtained an additional loan of RMB4 million from ICBC. The loan is repayable in January 2016.

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 February 2015, UGC 2003, Inc. decreased its borrowing from Cathay Bank to US\$995,000. 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.

**Details of any collateral**

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

The Cathay Bank Facility is 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>1st Quarter Ended</b>	
	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>		
Profit before taxation	195	147
Adjustments for:		
Interest expense	46	21
Interest income	-	-1
Depreciation	243	230
Write-back of provision for inventories	-	-1
Allowance for doubtful debts	-	10
Impairment written back for assets subject to bank guarantees	-	-81
Operating profit before working capital changes	<u>484</u>	<u>325</u>
Change in working capital:		
Trade and other receivables	1,485	-1,157
Inventories	2,138	2,400
Trade and other payables	-4,972	-426
Cash (used in)/generated from operations	<u>-865</u>	<u>1,142</u>
Income tax paid	-121	-4
<b>Net cash (used in) /generated from operating activities</b>	<u>-986</u>	<u>1,138</u>
<b>Investing activities</b>		
Interest received	-	1
Purchase of property, plant and equipment	-	-46
Other investments purchased	-	-315
<b>Net cash used in investing activities</b>	<u>-</u>	<u>-360</u>
<b>Financing activities</b>		
Interest paid	-46	-21
Proceed from bank loan	888	-
Repayment of bank loan	-68	-
<b>Cash inflow/(outflows) from financing activities</b>	<u>774</u>	<u>-21</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	-213	757
Cash and cash equivalents at beginning of the period	2,703	2,387
Effect of exchange rate fluctuations on cash and cash equivalents	379	-25
<b>Cash and cash equivalents at end of of the period</b>	<u><u>2,870</u></u>	<u><u>3,119</u></u>

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

	Share capital	Capital reserve	Capital reduction reserve	Foreign currency translation reserve	Revaluation reserve	General reserve	Accumulated (losses)	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>GROUP</b>								
<b>Bal at 01/01/2015</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>
Profit for the period	-	-	-	-	-	-	74	74
<u>Other comprehensive income</u>								
Currency translation difference arising from consolidation	-	-	-	455	-	-	-	455
Total comprehensive income for the period	-	-	-	455	-	-	74	529
<b>Bal at 31/03/2015</b>	<b>124,508</b>	<b>944</b>	<b>18,384</b>	<b>2,426</b>	<b>2,510</b>	<b>2,201</b>	<b>-137,772</b>	<b>13,201</b>
<b>COMPANY</b>								
<b>Bal at 01/01/2015</b>	<b>124,508</b>	-	<b>18,384</b>	-	-	-	<b>-127,401</b>	<b>15,491</b>
Total comprehensive income for the period	-	-	-	-	-	-	135	135
<b>Bal at 31/03/2015</b>	<b>124,508</b>	-	<b>18,384</b>	-	-	-	<b>-127,266</b>	<b>15,626</b>

	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>GROUP</b>								
<b>Bal at 01/01/2014</b>	<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>
Loss for the period	-	-	-	-	-	-	143	143
<u>Other comprehensive income</u>								
Currency translation difference arising from consolidation	-	-	-	-141	-	-	-	-141
Total comprehensive income for the period	-	-	-	-141	-	-	143	2
<b>Bal at 31/03/2014</b>	<b>124,508</b>	<b>944</b>	<b>18,384</b>	<b>1,382</b>	<b>2,510</b>	<b>2,201</b>	<b>-135,597</b>	<b>14,332</b>
<b>COMPANY</b>								
<b>Bal at 01/01/2014</b>	<b>124,508</b>	-	<b>18,384</b>	-	-	-	<b>-127,668</b>	<b>15,224</b>
Total comprehensive income for the period	-	-	-	-	-	-	74	74
<b>Bal at 31/03/2014</b>	<b>124,508</b>	<b>0</b>	<b>18,384</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-127,594</b>	<b>15,298</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 31,878,441,114. There was no change to the number of ordinary shares during the period ended 31 March 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 2014, 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 financial statements on the consolidated results for the quarter ended 31 March 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.**

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 period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends.**

	<b>Group</b>	
	<b>1st Quarter Ended</b>	
	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	<b>\$ '000</b>	<b>\$ '000</b>
Earnings/(loss) attributable to shareholders	74	143
Earnings/(loss) used to determine diluted earnings per share	74	143
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	31,878,441	31,878,441
Weighted average number of ordinary shares applicable to diluted earnings per share ('000)	31,878,441	31,878,441
Earnings/(loss) per ordinary share, in cents :		
- basic	0.0002	0.0004
- fully diluted	0.0002	0.0004

**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</b>	<b>As at</b>
	<b>31-Mar-15</b>	<b>31-Dec-14</b>
	<b>cents</b>	<b>cents</b>
Group	0.04	0.04
Company	0.05	0.05
No of issued shares ('000)	31,878,441	31,878,441

The calculation of net asset value per ordinary share is based on the number of ordinary shares of the Company as at 31 March 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 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.**

**1Q15 vs. 1Q14**

- (1) The Group's revenue was \$8.25million in 1Q15 compared to \$9.95million in 1Q14. Sales of dehydrated products increased from \$5.65million in 1Q14 to \$6.26million, while sales of fresh fruits & processed fruits was \$1.99million compared to \$4.30million in 1Q14. The slowdown in fresh fruit sales was due to the slowdown on imported fruits in our key Indonesian market as a result of the weakening Indonesian Rupiah.
- (2) Gross profit for 1Q15 was \$2.11million (margin 25.6%), compared with gross profit of \$1.90million (margin 19.1%) for 1Q14. The gross profit margin increased mainly due to increased selling prices for dehydrated products and the appreciation of the US Dollar against the Singapore Dollar
- (3) Selling & Distribution expenses for 1Q15 were higher than 1Q14 by \$0.06million (9.0%) mainly due to increased marketing expenses, staff costs, and logistics related expenses. Administrative expenses (including depreciation) increased by \$0.13million (11.2%) compared to 1Q14.
- (4) Profit/Loss for the period  
Profit before tax for 1Q15 was higher by \$48,000 compared to 1Q14. However, due to higher tax expenses for the period, the Group's net profit for 1Q15 was \$0.07million compared with a net profit of \$0.14million for 1Q14.
- (5) EBITDA  
The Group's EBITDA for 1Q15 was \$0.48million, compared to \$0.4million for 1Q14.
- (6) Operating cash flow  
Net cash outflow from operating activities for 1Q15 was \$0.99million compared to net cash inflow of \$1.14million for 1Q14.
- (7) Material fluctuation in balance sheet items  
There was no material fluctuation in balance sheet items except for the following items:
  - (a) Decrease in trade receivables was mainly due to decrease in sales and collection from customers;
  - (b) Decrease in other receivables and prepayments was mainly due to reduced advance payments to suppliers as goods were shipped in 1Q15;
  - (c) Decrease in inventories was mainly due to inventories sold in 1Q15 and no production of dehydrated flakes during routine shut-down in 1Q15;
  - (d) Increase in bank loan was due to net increase in borrowings from ICBC bank;
  - (e) Decrease in trade payables was mainly due to decrease in purchases of fresh fruits and prompt payment to suppliers.

**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 aiming to step up its marketing and sales efforts for its range of processed fruit products in Singapore, China and Indonesia.

**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/recommendeded, 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 period ended 31 March 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 pursuant to 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	-	-

Note: In September 2014, one of the subsidiaries of the Company borrowed from a related party an amount of US\$400,000 (approximately S\$528,400) at Nil interest. The outstanding amount to the lender was US\$200,000 as at 31 March 2015.

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 March 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

15 May 2015