



Fourth Quarter Financial Statements Announcement for the Period Ended 31-Dec-2016

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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.

	Group			Group		
	4th Quarter Ended			YTD		
	31-Dec-16	31-Dec-15	Change	31-Dec-16	31-Dec-15	Change
	S\$ '000	S\$ '000	%	\$ '000	\$ '000	%
Continuing operations						
Revenue	1,280	2,124	-40%	17,135	14,093	22%
Cost of sales	(1,363)	(2,033)	-33%	(16,496)	(13,067)	26%
Gross (loss)/profit	(83)	91	n.m	639	1,026	-38%
Other income	6,005	10	58480%	6,178	378	1533%
Selling & Distribution costs	(566)	(758)	-25%	(1,858)	(1,343)	38%
Administrative expenses	(796)	(2,011)	-60%	(2,531)	(4,212)	-40%
Other (expenses)/income	(33)	116	n.m	(378)	(3)	12894%
Finance (costs)/income	(1)	10	n.m	(2)	-	n.m
Profit/(loss) before income tax	4,526	(2,542)	n.m	2,048	(4,154)	n.m
Income tax expense	-	-		-	-	
Profit/(loss) from continuing operations for the period, net of income tax	4,526	(2,542)	n.m	2,048	(4,154)	n.m
Profit/(Loss) from discontinued operations for the period, net of income tax*	759	79	862%	(738)	2,053	n.m
Total loss for the period	5,285	(2,463)	n.m	1,310	(2,101)	n.m
Other comprehensive income :						
Exchange difference on translating foreign operations	(873)	(348)	151%	(1,195)	622	n.m
Total comprehensive loss for the period	4,412	(2,811)	n.m	115	(1,479)	n.m
EBITDA	5,336	(1,520)	n.m	1,669	(257)	n.m
Profit /(loss)for the period included the following						
Depreciation of property, plant & equipment	(20)	(147)		(246)	(788)	
Interest expenses	(31)	(25)		(92)	(164)	
Income tax refund/(expenses)	-	(771)		(21)	(892)	
One-off expenses in relation to:						
-Requisitioning shareholders case	-	-		-	(98)	
-Proposed joint ventures in Harvest Season	17	(33)		101	(84)	
-Brand consultant	-	-		-	(100)	
-Settlement fee related to NTan case	-	(1,172)		-	(1,172)	
-Professional fee related to NTan case	-	(44)		-	(44)	
-YG deal	23	-		31	-	
-Dehy disposal	15	-		42	-	
-Acquisition of PT fresh	42	-		42	-	
Other income included:						
- Government grant	-	-		81	14	
- Dividend income	-	-		70	-	
- Interest income	3	(1)		7	-	
- Write off long outstanding other payable	279	40		279	40	
- Disposal of scrap material	-	(12)		-	-	
- Other income	-	9		-	9	
- Leasing and licensing income	-	39		-	39	
- Franchise income	6	6		24	24	
- Net gain on foreign exchange	-	(71)		-	252	
- Gain on disposal of subsidiaries	5,717	-		5,717	-	
	6,005	10		6,178	378	

On 23 January 2017, the Company announced the change of its financial year end from 31 Decmeber to 31 March.

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

	Group		Company	
	As at 31-Dec-16	As at 31-Dec-15	As at 31-Dec-16	As at 31-Dec-15
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Subsidiaries	-	-	21,386	13,834
Property, plant and equipment	192	660	-	-
Property, plant and equipment under operating lease		3,486	-	-
Total non-current assets	192	4,146	21,386	13,834
Current assets				
Cash and cash equivalents	2,338	5,290	401	390
Held-for-trading financial asset	-	52	-	-
Trade and other receivables	9,353	9,744	39	160
Prepayments	1,134	44	40	27
Inventories	688	539	-	-
	13,513	15,669	480	577
Non-current assets held-for-sales	3,677	-	-	-
Total current assets	17,190	15,669	480	577
Total assets	17,382	19,815	21,866	14,411
Equity attributable to equity holders of the Company				
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	1,398	2,593	-	-
Asset revaluation reserve	2,510	2,510	-	-
General reserve	232	2,201	-	-
Accumulated losses	(138,637)	(139,947)	(126,296)	(137,341)
Total equity	9,339	11,193	16,596	5,551
Non-current liabilities :				
Finance leases obligation	78	-	-	-
	78	-	-	-
Current liabilities				
Bank loan - secured	2,082	632	-	-
Trade payables	2,083	1,477	-	-
Other payables	3,781	6,513	2,410	3,062
Amount owing to subsidiary	-	-	2,860	5,798
Finance leases obligation	19	-	-	-
Total current liabilities	7,965	8,622	5,270	8,860
Total liabilities	8,043	8,622	5,270	8,860
Total liabilities and equity	17,382	19,815	21,866	14,411

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-16		As At 31-Dec-15	
	Secured	Unsecured	Secured	Unsecured
Bank loans	2,082	-	632	-

Details of any collateral

In April 2016, the Group's subsidiary in People's Republic of China ("PRC"), Taian FHTK Foodstuffs Co Ltd (Taian FHTK") obtained a RMB 10 million loan facility from the Communication Bank of China ("CBC"). The loan facility is secured by mortgages on leasehold properties of Taian FHTK and due for repayment on 7 March 2017, the Company intends to repay the bank loan.

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

	Group		Group	
	4th Quarter Ended		YTD	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Loss before income tax from continuing operations	4,526	(2,542)	2,048	(4,154)
Profit/(Loss) from discontinued operations before tax	761	850	(716)	2,945
Adjustments for:				
Interest expense	31	25	92	164
Interest income	(3)	(1)	(7)	(2)
Dividend income	-	-	(70)	-
Depreciation	20	147	246	788
Gain on disposal of subsidiaries	(5,717)	-	(5,717)	-
Reversal of currencies translation reserve from subsidiaries	1,969	-	1,969	-
Reversal of general reserve from disposal of subsidiaries	584	-	584	-
Allowance for impairment loss on third parties receivables	-	521	-	521
Write-back of allowance for inventory obsolescence	(257)	(270)	(257)	(270)
Write-back accruals and other payables	(1,250)	(40)	(1,250)	(40)
Write off long overdue other receivables	-	2	-	2
Write off inventories	-	10	-	10
Fair value (gain) / loss arising from held-for-trading financial asset	-	(9)	-	(9)
Operating loss before working capital changes	664	(1,307)	(3,078)	(45)
Change in working capital:				
Trade and other receivables	(1,838)	(1,381)	(698)	(2,962)
Inventories	267	7,440	108	13,152
Trade and other payables	(580)	(220)	(876)	(4,252)
Cash (used in)/generated from operations	(1,487)	4,532	(4,544)	5,893
Income tax paid	(1)	(208)	(22)	(892)
Net cash (used in)/generated from operating activities	(1,488)	4,324	(4,566)	5,001
Investing activities				
Interest received	3	1	7	2
Dividend received	-	-	70	-
Purchase of property, plant and equipment	(25)	4	(46)	(418)
Proceeds from disposal of held-for-trading financial asset	-	199	52	199
Proceeds from disposal of subsidiaries(S\$2)	-	-	-	-
Net cash generated from/(used in) investing activities	(22)	204	83	(217)
Financing activities				
Interest paid	(31)	(25)	(92)	(164)
Finance Lease	(4)	-	(10)	-
Proceed from bank loan borrowings	-	(25)	2,082	871
Repayment of bank loan borrowings	-	(1,469)	(632)	(2,897)
Repayment of loan from a director	-	(529)	-	(529)
Cash (used in)/generated from financing activities	(35)	(2,048)	1,348	(2,719)
Net (decrease)/increase in cash and cash equivalents	(1,545)	2,480	(3,136)	2,065
Cash and cash equivalents at beginning of the period	3,619	3,212	5,290	2,703
Effect of exchange rate fluctuations on cash and cash equivalents	264	(402)	184	522
Cash and cash equivalents at end of of the period	2,338	5,290	2,338	5,290

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
GROUP								
Bal at 01/01/2016	124,508	944	18,384	2,593	2,510	2,201	(139,947)	11,193
Loss for the period	-	-	-	-	-	-	(1,477)	(1,477)
Other comprehensive loss								
Currency translation difference arising from consolidation	-	-	-	(330)	-	-	-	(330)
Total comprehensive loss for the period	-	-	-	(330)	-	-	(1,477)	(1,807)
Bal at 31/03/2016	124,508	944	18,384	2,263	2,510	2,201	(141,424)	9,386
Loss for the period	-	-	-	-	-	-	(917)	(917)
Other comprehensive loss								
Currency translation difference arising from consolidation	-	-	-	(91)	-	-	-	(91)
Total comprehensive loss for the period	-	-	-	(91)	-	-	(917)	(1,008)
Bal at 30/06/2016	124,508	944	18,384	2,172	2,510	2,201	(142,341)	8,378
Loss for the period	-	-	-	-	-	-	(1,581)	(1,581)
Other comprehensive loss								
Currency translation difference arising from consolidation	-	-	-	99	-	-	-	99
Total comprehensive loss for the period	-	-	-	99	-	-	(1,581)	(1,482)
Bal at 30/09/2016	124,508	944	18,384	2,271	2,510	2,201	(143,922)	6,896
Loss for the period							2,732	2,732
Other comprehensive loss								
Transfer general reserve to accumulated losses						(1,969)	1,969	-
Transfer foreign currency translation reserve to accumulated losses				(584)			584	-
Currency translation difference arising from consolidation	-	-	-	(289)	-	-	-	(289)
Total comprehensive loss for the period	-	-	-	(873)	-	(1,969)	5,285	2,443
Bal at 31/12/2016	124,508	944	18,384	1,398	2,510	232	(138,637)	9,339
COMPANY								
Bal at 01/01/2016	124,508	-	18,384	-	-	-	(137,341)	5,551
Total comprehensive loss for the period	-	-	-	-	-	-	(553)	(553)
Bal at 31/03/2016	124,508	-	18,384	-	-	-	(137,894)	4,998
Total comprehensive loss for the period	-	-	-	-	-	-	(328)	(328)
Bal at 30/06/2016	124,508	-	18,384	-	-	-	(138,222)	4,670
Total comprehensive income for the period	-	-	-	-	-	-	11,467	11,467
Bal at 30/09/2016	124,508	-	18,384	-	-	-	(126,755)	16,137
Total comprehensive loss for the period	-	-	-	-	-	-	459	459
Bal at 31/12/2016	124,508	-	18,384	-	-	-	(126,296)	16,596

	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
GROUP								
Bal at 01/01/2015	124,508	944	18,384	1,971	2,510	2,201	(137,846)	12,672
Profit for the period	-	-	-	-	-	-	74	74
Other comprehensive income								
Currency translation difference arising from consolidation	-	-	-	455	-	-	-	455
Total comprehensive income for the period	-	-	-	455	-	-	74	529
Bal at 31/03/2015	124,508	944	18,384	2,426	2,510	2,201	(137,772)	13,201
Profit for the period	-	-	-	-	-	-	66	66
Other comprehensive loss								
Currency translation difference arising from consolidation	-	-	-	(86)	-	-	-	(86)
Total comprehensive loss for the period	-	-	-	(86)	-	-	66	(20)
Bal at 30/06/2015	124,508	944	18,384	2,340	2,510	2,201	(137,706)	13,181
Loss for the period							222	222
Other comprehensive loss								
Currency translation difference arising from consolidation	-	-	-	601	-	-	-	601
Total comprehensive income for the period	-	-	-	601	-	-	222	823
Bal at 30/09/2015	124,508	944	18,384	2,941	2,510	2,201	(137,484)	14,004
Loss for the period							(2,463)	(2,463)
Other comprehensive loss								
Currency translation difference arising from consolidation	-	-	-	(348)	-	-	-	(348)
Total comprehensive loss for the period	-	-	-	(348)	-	-	(2,463)	(2,811)
Bal at 31/12/2015	124,508	944	18,384	2,593	2,510	2,201	(139,947)	11,193
COMPANY								
Bal at 01/01/2015	124,508	-	18,384	-	-	-	(127,401)	15,491
Total comprehensive income for the period	-	-	-	-	-	-	135	135
Bal at 31/03/2015	124,508	-	18,384	-	-	-	(127,266)	15,626
Total comprehensive loss for the period	-	-	-	-	-	-	(859)	(859)
Bal at 30/06/2015	124,508	-	18,384	-	-	-	(128,125)	14,767
Total comprehensive income for the period	-	-	-	-	-	-	145	145
Bal at 30/09/2015	124,508	-	18,384	-	-	-	(127,980)	14,912
Total comprehensive loss for the period	-	-	-	-	-	-	(9,361)	(9,361)
Bal at 31/12/2015	124,508	-	18,384	-	-	-	(137,341)	5,551

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 2015, 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 31 December 2016.

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 (Dongguan Fook Huat Tong Kee Refrigeration & Foodstuffs Co., Ltd or 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 (Longkou Fook Huat Tong Kee Refrigeration Co.,Ltd or the "Collateral Subsidiary"). The Borrowing Subsidiary and the Collateral Subsidiary have since been disposed in FY2009.

There are three subsidiaries (Fook Huat Tong Kee Pte Ltd, Taian Fook Huat Tong Kee Foodstuffs Co., Ltd and Shanghai Fook Huat Tong Kee Cold Storage Co.,Ltd or the "these 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 2016, Taian Fook Huat Tong Kee Foodstuffs Co Ltd has been sold, the remaining dormant subsidiaries have been consolidated. In addition, the remaining assets of the two subsidiaries 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 December 2016 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 January 2016. 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.

	Group		Group	
	4th Quarter Ended		YTD	
	(Continuing operation)		(Continuing operation)	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	\$ '000	\$ '000	\$ '000	\$ '000
(Loss)/earnings attributable to shareholders	4,526	(2,542)	2,048	(4,154)
(Loss)/earnings used to determine diluted earnings per share	4,526	(2,542)	2,048	(4,154)
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	1.4198	(0.7974)	0.6424	(1.3031)
- fully diluted	1.4198	(0.7974)	0.6424	(1.3031)

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

	As at 31-Dec-16 cents	As at 31-Dec-15 cents
Group	2.93	3.51
Company	5.21	1.74
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 2016 and 31 December 2015 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.

4Q16 vs. 4Q15

- (1) The Group's revenue of \$1.28 million decreased by 39.6% compared to 4Q15 of \$2.12 million. The decrease in revenue was mainly due to credit notes given to customers pertaining to transactions in previous quarters of approximately \$740,000.
- (2) For 4Q16, the Group gross loss was \$83,000 (6.4%) compared to gross profit of \$91,000 (4.3%) in 4Q15. The gross loss was mainly due to the reason stated in item (1) above.
- (3) Other income comprises mainly profit on disposal of subsidiaries Taian Fook Huat Tong Kee Foodstuffs Co Ltd and Fook Yong Pte Ltd in 4Q16.
- (4) Selling & Distribution expenses for 4Q16 was \$566,000 compared to \$758,000 in 4Q15. The was mainly due to higher marketing and related expenses incurred in 4Q15.
- (5) Administrative expenses for 4Q16 was S\$796,000 compared to S\$2,011,000 in 4Q15. This was mainly due to the settlement of Ntan case in 4Q15.
- (6) Depreciation for 4Q16 decreased by \$127,000 mainly due to discontinued depreciation and amortisation for non-current assets reclassified as held-for-sale.
- (7) Profit/(loss) from continuing operations for the period
Group's profit before tax from continuing operations was \$4,526,000 compared to loss before tax \$2,542,000 in 4Q15. The profit in 4Q16 was as stated in item (3) above.
- (8) Profit from discontinued operations for the period
The Group's profit before tax from discontinued operations for 4Q16 was \$759,000 compared to profit before tax of \$79,000 for 4Q15. This was due to write back outstanding accruals and other payables in 4Q16.
- (9) The Group's total profit after tax for 4Q16 was \$5,285,000 compared to loss of \$2,463,000 in 4Q15, the main reason was as stated in item (3) above.
- (10) EBITA
The Group's EBITDA for 4Q16 was \$5,336,000 compared to negative EBIDTA of \$1,520,000 for 4Q15, the main reason was as stated in item (3) above.
- (11) Operating cash flow
Net cash outflow from operating activities for 4Q16 was \$1,488,000 compared to net cash inflow of \$4,320,000 for 4Q15. This was mainly due to losses for the current period and offset by increase in working capital.

YTD16 vs. YTD15

- (12) The Group's revenue increased by 21.59% to \$17.14 million in YTD16 compared to YTD15 of \$14.09 million. The reason was due to the increased sales to China market.
- (13) Gross profit for YTD16 was \$639,000 (margins 3.73%) compared to \$1,026,000 (margin 7.28%) in YTD15. The reason was as stated in item (2) above.
- (14) Other income comprises mainly profit on disposal of subsidiaries Taian Fook Huat Tong Kee Foodstuffs Co Ltd and Fook Yong Pte Ltd in FY16.
- (15) Depreciation for YTD16 was \$246,000 compared to \$788,000 in YTD15. The reason was stated item (6) above.
- (16) Profit/(loss) from continuing operations for the period: -
The Group's profit from continuing operations before tax for YTD16 was \$2.05 million, compared to a loss of \$4.15 million for YTD15. The reason was as stated in item (14) above.
- (17) (Loss)/Profit from discontinued operations for the period: -
The Group's loss before tax from discontinued operations for YTD16 was \$0.74 million compared to profit before tax of \$2.05 million for YTD15, this was mainly due to the discontinued operation which started from 2nd half of year 2015 and there were some remaining dehy inventories sold towards end of FY2015.
- (18) The Group's total profit after tax for YTD16 was \$1.31 million compared to loss after tax of \$2.10 million in YTD15. The reason was as stated in item (14) above.

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.

YTD16 vs.YTD15 (Con'td)

- (19) The Group's EBITDA for YTD16 was \$1.67 million compared to negative EBIDTA of \$0.26 million for YTD15.
- (19) Operating cash flow
The net cash outflow from operating activities for YTD16 was \$4.57 million compared to net inflow of \$5.00 million for YTD15. The reasons were as stated in item (10) above.
- (20) Material fluctuation in balance sheet items
 - (a) Decrease in property, plant and equipment was mainly due to reclassified to non-current assets held-for-sale;
 - (b) Decrease in trade receivables and other receivables were mainly due to one-off sales of dehydrated products towards end of financial year 2015 and the sales proceeds were fully collected in FY2016;
 - (c) Increase in prepayments was mainly due to increased advance payments to suppliers to secure procurement;
 - (d) Increase in inventories was mainly due to stock up consumer products into new market.
 - (e) Increase in bank loan was due to borrowings from CBC in PRC offset by repayment of bank loan to Cathay bank in USA;
 - (e) Increase in trade payables was mainly due to increase purchases toward end of the period;
 - (f) Decrease in other payables was mainly due to payments made to non-trade creditors during this financial period and reversal of outstanding accruals and other payables;
 - (g) The finance lease obligation arose from a new motor vehicle bought on hire purchase.

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.

- (i) As announced on 14 November 2016, the Company entered into a binding conditional termsheet ("Taian Termsheet") with Global Food Ingredients Pte Ltd ("GFI") pursuant to which the Company has agreed to sell, inter alia, (i) two (2) shares ("Sale Shares") in United Agro Produce Pte Ltd ("UAPL"), representing 100% of the total number of issued shares in the share capital of UAPL (UAPL and its subsidiaries shall be referred to as the "UAPL Group"); and (ii) the dehydrated business in the Group (the "Proposed Disposal") at a purchase consideration which will be based on S\$4,100,000 (subject to adjustments) ("Consideration"), subject to shareholders' approval at the forthcoming EGM.

On 14 February 2017, the Company and its wholly owned subsidiary, United Agro Produce Pte Ltd ("UAPL") have each entered into two separate sale and purchase agreements to divest UAPL and its wholly owned subsidiaries, Fook Yong Pte. Ltd. ("FYPL") and Taian FHTK Foodstuffs Co., Ltd. ("Taian FHTK"). FYPL has a wholly owned subsidiary, Taian Fook Huat Tong Kee Foodstuff Co., Ltd ("Old Taian").

The Company had made a strategic decision to shift towards an asset-light consumer-centric, brand-focused business model, and had since 2015 been channelling resources from slow growth areas towards the new asset-light business model. In line with the shift in strategy, the Group had since late 2015 ceased the Dehydrated Produce Business.

- (ii) As announced on 3 January 2017 the Company has entered into a placement agreement (the "Placement Agreement") with Shanghai YIGUO E-Commerce Co., Ltd (also known as 易果生鲜) (the "Placee"), pursuant to which the Company has agreed to allot and issue to the Placee, and the Placee has agreed to subscribe and pay for:

(a) 333,333,333 new ordinary shares of the Company ("Placement Shares") at the issue price of S\$0.045 for each Placement Share ("Placement Price"); and

(b) 166,666,667 free unlisted warrants ("Warrants"), each carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("Share") (such new Shares issued pursuant to the exercise of the Warrants, the "Warrant Shares") at an exercise price of S\$0.054 for each Share ("Exercise Price"), which may be exercised by the Placee from time to time at the Placee's discretion, for a period of three (3) years from the date of issue of the Warrants.

On 23 January 2017, the Company announced the change of its financial year end from 31 December to 31 March, this is to align the Company's financial year-end with that of Shanghai YIGUO E-Commerce Co., Ltd (also known as 易果生鲜) ("YiGuo").

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 period ended 31 December 2016 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	-	-

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 2016 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

14 February 2017