



SUNMOON FOOD COMPANY LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 198304656K

RESPONSE TO SGX QUERIES ON THE COMPANY'S UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT THE PERIOD ENDED 30 SEPTEMBER 2023

The Board of Directors (the "**Board**") of SunMoon Food Company Limited (the "**Company**") would like to respond to the queries from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") received by the Company on 14 November 2023 in relation to the Company's unaudited condensed interim financial statement for the period ended 30 September 2023 as follows:

SGX QUERY 1:

It is stated in note 2, page 6 of the unaudited financial statements that "The condensed interim financial statements have been prepared on a going concern basis as the directors have assessed that the Group and the Company would have the ability to meet its obligations for the next twelve months from the reporting date."

Given the Group's significant liabilities of \$4,776,000 and cash and bank balance of only \$1,853,000 and noting that the Company incurred losses of \$527,000 in the first half of FY2024, please disclose the Board's bases of assessment to conclude that the Company's current assets are adequate to meet the Company's short term liabilities of \$4,654,000; and how the Company intends to fulfil its significant payment obligations in the next 12 months. Where the Company has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Company is on track to fulfilling these obligations.

COMPANY REPLY:

The Group has total current assets of S\$11,852,000 comprising of cash balance of S\$1,853,000, trade and other receivables of S\$7,884,000 and inventories of S\$2,115,000. The Board is of the view that the group has sufficient current assets to pay its short-term liabilities of S\$4,766,000. For details, please refer to note 12 to note 15 on page 9 and 10 in the unaudited condensed interim financial statement.

SGX QUERY 2:

Listing Rule 704(30) states that the use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the prospectus or the announcement of the issuer. Where the proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the issuer must also announce in the reasons for such deviation.

Please provide a breakdown with specific details on the use of proceeds for general working capital as disclosed in note 22, on page 15 of the unaudited financial statements.

COMPANY REPLY:

The proceeds have been used according to clause 5.1 to 5.5 as stated in the placement announcement dated 18 Feb 2023. Of the net proceeds of S\$2,819,000, S\$1,909,000 has been used in procurement and the remaining has been used in general & administrative expenses including staff related and other daily operational expenses, directors' fee, audit fee and other professional fee.

**BY ORDER OF THE BOARD
SUNMOON FOOD COMPANY LIMITED**

Mr James Prideaux

Chairman and Lead Independent Director

20 November 2023