

# asia's biggest brands

## New dawn for SunMoon

The iconic brand marks its 10th anniversary in 2008, and it could signify a new dawn for founding firm FHTK, which recently changed its name to SunMoon Food Company

**The origin and meaning of the SunMoon brand bear an interesting tale. On one level, 'Sun' and 'Moon' represent the ideal combination of conditions to grow high-quality fruit, in that sunlight, and the cooler temperatures that come with the moon at night, are key to developing colour and flavour.**

On another level, when the individual Chinese characters of 'Sun' and 'Moon' are combined they are pronounced "ming", which has a similar sound to the word for famous or branded goods in Chinese.

True to its name, the SunMoon brand – synonymous with premium Chinese apples and pears – has managed to establish both a reputation for high-quality and a high level of recognition in the fresh produce trade over the past 10 years.

While the brand was launched in 1998 by Singaporean-listed firm Fook Huat Tong Kee (FHTK), the legacy that supports it goes back a lot further.

From its beginnings as a small, family-run fruit stall near Chinatown in 1965, the company expanded very rapidly to become one of the largest fruit importers in Singapore, representing more than 20 brands by 1977. FHTK established a strong position in sourcing produce from China, with a focus on apples, pears and garlic among other lines. With a professional approach focused on quality and safety, and the development of a strong physical infrastructure in the People's Republic, the company forged a reputation for quality that enabled it to launch its own brand.

The inauguration of the SunMoon brand in 1998 came in conjunction with FHTK's opening of SunMoon-banner retail outlets in Singapore, five of which still operate today albeit under a separate franchise. The retail foray was one of several investments that the firm made after listing on the Singapore Stock Exchange in 1997.

China, where the company had already opened its Longkou City Industrial Park in Shandong Province complete with high-tech fruit packing and storage facilities in 1995, formed the focus of the investment. In the space of six years, FHTK formed a

joint venture to operate a fresh produce distribution centre in Shanghai; built a state-of-the-art facility in Taian City, Shandong, for fresh and dehydrated garlic and onion processing; invested in plantations for better quality control; and



Quality controls underpin the SunMoon brand

opened a high-tech tissue culture laboratory to develop seedlings.

No expense was spared as the company strove to establish a fully integrated process from nursery, through planting and packing to marketing. Such a unique infrastructure provided FHTK with a platform to build the reputation of the SunMoon brand. "The brand was conceived to set FHTK's products apart from its competitors globally," explains Wee Liang Pin, who took over as CEO of the company last year in a management overhaul. "SunMoon is positioned as a premium brand backed by stringent processing standards and globally recognised safety accreditations."

According to Mr Wee, SunMoon has developed a reputation for quality in a range of countries, including Indonesia,

Thailand, the UK, Spain, Canada, the US, Australia and China. "In some of these markets, such as Indonesia, SunMoon Fuji apples have become a generic name for high-quality apples," he comments.

Yet while the brand built and maintained its profile after 1998, the company found itself in an increasingly perilous financial position, which is perhaps not surprising given the scale of its investments.

Just as operations began to grind to a halt, however, FHTK gained a lifeline last year as new management was brought in while a S\$60m convertible loan was secured from new investors. This has enabled the company to resume its operations and continue the development of the SunMoon brand internationally.

Mr Wee is swift to emphasise that "the company's difficulties are well and truly behind it". To mark this transition, FHTK also recently chose to change its name to SunMoon Food Company. "The renaming of the company is designed to leverage on the established SunMoon brand and signify a new dawn for the company," he explains.

Sun Moon's coming of age as a global brand occurred in 2000, when it gained entry to the Australian market, as FHTK was the first company in China to ship Shandong ya pears there, Mr Wee notes. Further milestones followed in 2001, when it became the first exporter to penetrate the Canadian market with Asian pears, and 2002, when it entered the US market with Shandong ya pears, he adds.

While promotional activities for the brand were curbed when FHTK's financial difficulties set in, the new management is now in discussion with key customers and supermarkets to embark on promotional campaigns to further grow the SunMoon brand globally.

The brand's profile is likely to be boosted by the restoration of the firm's grower base in China, now that its financial issues are being addressed. But Mr Wee and his team have further plans to widen its reach by extending the brand's use to new products and through entry to new markets such as eastern Europe and South America.