



SUNMOON FOOD COMPANY LIMITED

Registration No. 198304656K
(the "Company")

RECEIPT OF APPROVAL FOR APPLICATION FOR DEFERMENT OF THE SGX-ST REVIEW ON 1 JUNE 2017 TO 1 DECEMBER 2017 PURSUANT TO LISTING RULE 1311(2) IN RELATION TO THE MINIMUM TRADING PRICE ENTRY CRITERIA FOR THE WATCH-LIST

The board of directors ("**Board**") of SunMoon Food Company Limited (the "**Company**") and its subsidiaries (the "**Group**") wishes to announce that the Company had on 23 May 2017 applied to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") to seek approval for a deferment of the SGX-ST review on 1 June 2017 to 1 December 2017 pursuant to Listing Rule 1311(2) in relation to the minimum trading price ("**MTP**") entry requirement for the watch-list (the "**SGX-ST Deferment Application**") and that the SGX-ST had on 31 May 2017 approved the SGX-ST Deferment Application.

As cited in the SGX-ST Deferment Application, the reasons given by the Company for seeking the extension were:

- (a) Following the Company's last SGX waiver application dated 22 February 2016 ("**SGX Waiver Application**"), the Company has acted promptly to address the MTP requirements. In this regard, the Company had or is in the process of implementing and/or completing the following:
 - (i) As per the Company's announcement and press release on 7 September 2016, the Company has selected NetSuite OneWorld, a cloud-based Enterprise Resource Planning (ERP) software which will help the Company in managing and optimising its expanding network and geography. As stated in the press release, the ERP software will assist to improve market efficiency, which in turn will attract more businesses to trade through the Company;
 - (ii) The Company's announcement and press release dated 7 October 2016, on the proposed investment by Shanghai YiGuo E-Commerce Co., Ltd ("**YiGuo**") by way of a placement exercise ("**Proposed Placement**"). Pursuant to the Proposed Placement exercise, it is expected that, subject to adjustments and certain events, the Company will receive a funding of approximately S\$24 million (based on the placement price of S\$0.045 per placement share and the exercise price of S\$0.054 per warrant) which will be used for the Company's working capital to ensure business continuity;
 - (iii) As part of business restructuring, the Company had announced on 14 February 2017 the proposed disposal of shares in Fook Yong Pte Ltd and United Agro Produce Pte Ltd ("**Proposed Disposals**"). As stated in the announcement and circular, the Proposed Disposal is to fulfill and streamline the Company's business activities, improve financial position (i.e. improve cash flow) and to realise the value of the Company's assets United Agro Produce Pte Ltd and its subsidiaries; and
 - (iv) Further to the above, the Company had also announced on 10 February 2016 the proposed acquisition of ordinary shares representing 12% of the total issued share capital of Harvest Season Singapore Pte. Ltd. ("**Proposed HS Acquisition**"). As stated in the

announcement and circular, the Proposed HS Acquisition is to, *inter alia*, assist the Company in gaining new access to new contracts, tapping into the PRC business contacts network so as to grow procurement and sales network.

- (b) On the Proposed Disposals and Proposed HS Acquisition, the Company will be holding an extraordinary general meeting on 31 May 2017 to obtain shareholders' approval;
- (c) There have been subsequent events which unfortunately resulted in delays to complete the Proposed Placement, Proposed HS Acquisition and Proposed Disposals. The delays have resulted in delays to consolidate the Company's shares to meet the MTP requirements. The Company may consider consolidating the Company's shares after completion of the Proposed Placement, Proposed HS Acquisition and Proposed Disposals;
- (d) As disclosed in the Company's various announcements and press releases, the Company have embarked on a strategic shift towards a new business model, of which, includes the new partnership with YiGuo through the Proposed Placement. In view of the current global market development, if the Company is placed on watch-list as a result of the MTP requirements, it will not be in the best interests of the Shareholders;
- (e) The Company has been actively seeking potential acquisitions of new businesses which would create and bring additional value to shareholders of the Company; and
- (f) The Company has been exploring other options such as a transfer to the Catalist Board and/or new corporate actions such as acquisitions of new businesses and/or new plans to increase current sales. For avoidance of doubt, the Company wishes to emphasis that the Board have not made any decisions on seeking an admission to the Catalist board.

Pursuant to the SGX-ST's approval in principle for the SGX-ST Deferment Application, the SGX-ST will defer its review from 1 June 2017 to 1 December 2017 to assess if the Company will be placed on the watch-list under the MTP Entry Criteria pursuant to Rule 1311(2) of the SGX-ST listing manual.

The SGX-ST's approval for the Extension Application is subject to the following:

- (i) the Company announcing the SGX-ST's decision, the reasons for seeking the deferment and the conditions as required under Listing Rule 107; and
- (ii) submission of a written confirmation from the Company that the deferment does not contravene any laws and regulations governing the Company and the articles of association of the Company.

The SGX-ST reserves the right to amend and/or vary the above decision and such decision is subject to changes in the SGX-ST's policies.

BY ORDER OF THE BOARD

Ms. Chia Lay Beng
Company Secretary

31 May 2017