

SUNMOON FOOD COMPANY LIMITED
(Incorporated in the Republic of Singapore on 29 September 1983)
Registration No. 198304656K
(the “**Company**”)

RESTRUCTURING OF EXISTING CONVERTIBLE LOAN

1. INTRODUCTION

The Board refers to the Company’s announcements on 18 March 2013 (“**Revised Transaction Announcement**”) 14 July 2013, 16 July 2013 and 18 July 2013 in relation to the entry by the Company into the Revised Transaction Documents.

Terms defined in the Revised Transaction Announcement have the same meaning as the terms referred to herein.

2. DISBURSEMENT OF MONIES PURSUANT TO THE REVISED TRANSACTION DOCUMENTS

The Board wishes to announce that, pursuant to the approval of shareholders for, *inter alia*, the Revised Transaction Documents, Interested Person Transaction and Whitewash Resolution being obtained at the EGM held on 30 August 2013, the Company and FACL have on 6 September 2013 issued cheques amounting to S\$443,092 and S\$12 million (S\$12,443,092 in aggregate) respectively in favour of FACT (on behalf of the Lenders) in accordance with the terms of the Revised Transaction Documents.

3. FOLLOW-UP ACTION

Upon the clearance of the cheques and S\$12,443,092 having been credited into FACT’s account, the Company will proceed to issue and allot the Settlement Shares (6,000,000,000 Shares) at an issue price of S\$0.001 per share (i.e. an aggregate issue price of S\$6 million) to the Lenders in accordance with the terms of the Revised Settlement Agreement.

Once the issuance and allotment of the Settlement Shares is completed:

- (i) the S\$6 Million Discharge shall be deemed to be procured by FACL, and
- (ii) all interests that have accrued under the FACT Agreements (which, as at 18 March 2013, being the date of the Revised New CL Agreement and the Revised Settlement Agreement, amounted to approximately S\$13.211 million) shall be deemed to be written off pursuant to the terms of the Revised Transaction Documents.

Consequently,

- (i) the Company's obligations owing to the Lenders under the FACT Agreements (which, as at 18 March 2013, amounts to S\$24,443,092 in principal plus approximately S\$13.211 million interest accruing thereon) will be fully settled; and
- (ii) the convertible loan of S\$18 million (in consideration of FACL extending the S\$12 million Initial Loan to the Company and procuring the Lenders to agree to the S\$6 Million Discharge) and Interest accruing thereon will be owing by the Company to FACL.

The Company will make a further announcement upon the issue and allotment of the Settlement Shares to the Lenders.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Revised New CL Agreement and the Revised Settlement Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts, the omission of which would make any statement in this Announcement misleading.

By Order of the Board

Dr Tan Eng Liang
Chairman & Director
9 September 2013