



SUNMOON FOOD COMPANY LIMITED

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

THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE (THE “PROPOSED SHARE CONSOLIDATION”)

1. INTRODUCTION

The Board (“**Board**”) of Directors (“**Directors**”) of SunMoon Food Company Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce the Company’s intention to undertake a share consolidation exercise to consolidate every ten (10) existing ordinary shares (“**Shares**”) in the capital of the Company into one (1) ordinary share (“**Consolidated Share**”).

2. PROPOSED SHARE CONSOLIDATION

- 2.1 The Company will be seeking approval from the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every ten (10) Shares into one (1) Consolidated Share.
- 2.2 As a result of the Proposed Share Consolidation, each Shareholder will receive one (1) Consolidated Share for every ten (10) Shares held prior to the Proposed Share Consolidation as at the books closure date to be determined by the Directors in their absolute discretion as they deem fit (“**Books Closure Date**”), fractional entitlements to be disregarded.

Rationale of the Proposed Share Consolidation

- 2.3 The Directors are of the view that the Proposed Share Consolidation would facilitate the Company’s ability to satisfy the continuing listing requirement imposed by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for issuers listed on the Main Board of the SGX-ST to have a minimum trading price per share of S\$0.20. Accordingly, the Board is of the view that the Proposed Share Consolidation is beneficial to the Company and its Shareholders.
- 2.4 Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

Information on the Proposed Share Consolidation

- 2.5 Under the Proposed Share Consolidation, every ten (10) Shares registered in the name of each Shareholder as at the Books Closure Date will be consolidated into one (1) Consolidated Share.
- 2.6 Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute

discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

- 2.7 Each Consolidated Share shall rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.
- 2.8 As at the date of this announcement, the Company has an issued share capital of S\$124,508,483 divided into 318,784,411 Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued share capital of S\$124,508,483 divided into approximately 31,878,441 Consolidated Shares.
- 2.9 The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Group. The Proposed Share Consolidation will not have an impact on the gearing of the Group and the Company.
- 2.10 Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date.
- 2.11 Shareholders who hold share certificates in their own names and who wish to deposit the same with CDP and have their Consolidated Shares (after the Proposed Share Consolidation) credited to their Securities Accounts maintained with Central Depository (Pte) Limited ("**CDP**"), must deposit their share certificates, together with the duly executed instruments of transfer in favour of CDP, **no later than twelve (12) market days prior to the Books Closure Date**. After the Books Closure Date, CDP will only accept deposit of new share certificates.

Approvals and Conditions

- 2.12 The Proposed Share Consolidation is subject to, *inter alia*, approval from the SGX-ST and the Shareholders at the EGM to be convened and the determination of the Books Closure Date by the Directors in their absolute discretion as they deem fit in the interests of the Company and Shareholders.
- 2.13 An application will be made to the SGX-ST for the dealing in, listing of and quotation of the Consolidated Shares pursuant to the Proposed Share Consolidation on the Main Board of the SGX-ST.

3. DESPATCH OF CIRCULAR

Subject to the receipt of the approval in-principle from the SGX-ST, a circular containing, *inter alia*, further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Mr Gary Loh Hock Chuan
Executive Chairman

19 March 2015