



SUNMOON FOOD COMPANY LIMITED

Registration No. 198304656K
(the "Company")

NOTICE OF INTENTION TO SELL CERTAIN ASSETS RELATED TO THE DISCONTINUED DEHYDRATED PRODUCE BUSINESS

The Board of Directors of SunMoon Food Company Limited (the "Company" and together with its subsidiaries, the "Group") wishes to announce, that the Group intends to sell certain assets relating to the Discontinued Dehydrated Produce Business (as defined below).

The discontinued dehydrated produce business related to the processing, sale and distribution of dehydrated products under the 'Produce Division' ("**Dehydrated Produce Business**"). As mentioned in the Company's investor update announcement on SGX-NET dated 14 March 2016, the Company had made a strategic decision to shift towards an asset-light consumer-centric, brand-focused business model, and had since 2015 been channelling resources from slow growth areas towards the new asset-light business model. In line with the shift in strategy, the Group had since late 2015 ceased the Dehydrated Produce Business.

In connection with the intention to sell certain assets, the Board will take appropriate steps to materialise the intention to sell including, commissioning independent valuations of the assets identified for sale.

The rationale for the intention to sell certain assets is in line with the Group's current strategy of an asset-light consumer-centric, brand-focused business model. In addition, the sale of certain assets will also enable the Group to generate cash which can be used for the working capital requirements of the Group.

Shareholders are to note that the current intention to sell certain assets may not materialise as a successful disposal will be dependent on several factors, including the disposal price and terms of the disposal which are acceptable to the Board.

The Company will seek shareholders' approval when necessary and will keep the Shareholders informed of further developments and will make further announcements as and when appropriate.

Shareholders and potential investors should exercise caution when trading in the shares of the Company. People who are in any doubt as to the action they should consult their stockbroker, bank manager, solicitor or other professional adviser.

BY ORDER OF THE BOARD

Ms. Chia Lay Beng
Company Secretary

13 May 2016