



SUNMOON FOOD COMPANY LIMITED

Registration No. 198304656K
(the "Company")

RESPONSE TO QUERIES REGARDING TRADING ACTIVITY

The board of directors (the "**Board**") of SunMoon Food Company Limited (the "**Company**" and its subsidiaries, the "**Group**") would like to respond to the queries from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") dated 23 September 2016 ("**SGX Queries**") regarding unusual volume movements of shares of the Company ("**Shares**"). The Company sets out below its responses to the queries of the SGX-ST:

SGX Query 1

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples.

- If yes, the information shall be announced immediately.

As previously announced in the Company's press release dated 14 March 2016, the Company has shifted towards the implementation of the '**Network x Geography x Product**' asset-light business model ("**Business Model**"). Accordingly, the Group has been continuously exploring opportunities to increase its geographic presence, product range, as well as sales network so as to maximise shareholder value.

In line with the above, the Board wishes to inform that the Group continues ongoing negotiations with various parties on potential transactions. If and when any definitive agreement is entered into, the Company will, in accordance with the Corporate Disclosure Policy of the SGX-ST Listing Manual, promptly issue the appropriate announcement(s).

Save for the aforesaid information and the Company's response to SGX Query 2 below, the Company is not aware of any information not previously announced concerning the Group which might explain the trading.

SGX Query 2

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

The Company is not aware of any other possible explanation for the recent unusual volume movements in the Company's Shares. The Board wishes to highlight the following recent announcements which could be a possible explanation for the trading:

1. The Company's announcement dated 10 February 2016 on entering into a conditional sale and purchase agreement with Mr Zhang Jiang Quan, Tony in relation to the acquisition of such number of ordinary shares in the share capital of Harvest Season Pte. Ltd.
2. The Company's press releases dated 14 March, 21 April and 27 April 2016 on, *inter alia*, the Company's transition into the new Business Model, on the entering into of several sales order

with Shanghai YIGUO E-Commerce Co. Ltd (also known as 易果生鲜), Lulu Supermarket LLC and Carrefour MAF Group Hypermarket, respectively.

3. The Company's announcement dated 13 May 2016 on the intention to sell certain assets relating to the discontinued dehydrated produce business related to the processing, sale and distribution of dehydrated products under the '*Produce Division*'.
4. The Company's announcement dated 7 September 2016 on the selection of NetSuite OneWorld, a cloud-based Enterprise Resource Planning (ERP) software, for its ERP needs and to implement solutions that supports the Company's Business Model.

SGX Query 3

Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

The Board confirms that the Company is in compliance with the listing rules and, in particular, Mainboard Rule 703.

The Board collectively and individually takes responsibility for the accuracy of the aforesaid responses to the SGX-ST queries and confirms after making all reasonable enquiries that, to the best of its knowledge and belief, these responses constitute full and true disclosure of all material facts about the recent unusual volume movements in the Company's Shares and the Board is not aware of any facts, the omission of which would make these responses misleading.

BY ORDER OF THE BOARD

Gary Loh Hock Chuan
Executive Chairman
25 September 2016