



**For Immediate Release**

## **SunMoon's new strategy attracts Shanghai Yiguo with \$24 million investment**

### **Highlights:**

- Yiguo's interest affirms SunMoon's asset-light, consumer-centric and brand-focused strategy
- Yiguo to provide funds to help SunMoon fast-track growth globally
- SunMoon gains access to the world's biggest market place
- Intended placement of 333.3 million new shares with free warrants to Yiguo on the basis of one warrant for every two placement shares subscribed would result in Yiguo holding a 51% stake in SunMoon, subject to terms and conditions, including shareholder approval

**SINGAPORE, 7 October 2016 - MAINBOARD-LISTED** SunMoon Food Company Limited (the "**Company**" or "**SunMoon**", and collectively known with its subsidiaries as the "**Group**"), a global distributor and marketer of nutritious fresh fruits, vegetables and products announced today that it has signed a binding term sheet, with respect to an intended investment by Shanghai YIGUO E-commerce Co. Ltd ("**Yiguo**"), a leading fresh food e-commerce player in China.

The proposed investment by Yiguo will help SunMoon to fast-track its expansion plan, based on its "Network x Geography x Product" ("**NxGxP**") strategy, and to further cement SunMoon as a global distributor and marketer of branded high quality fruits and food products.

With funding of S\$24 million and greater access into China via Yiguo, SunMoon would be able to leverage on Yiguo's network, infrastructure and logistic strengths to further its B2B channels and B2C ambitions.

Yiguo's dominant e-commerce position in China would also allow SunMoon to expand its footprint in the China marketplace, as well as increase SunMoon's supply sources rapidly. SunMoon can tap into Yiguo's suppliers and increase its range of fruit products.

Mr. Gary Loh, Executive Chairman and CEO of SunMoon Food Company Limited, said: "The Yiguo deal is a major milestone in our restructuring effort to rebuild the company. It affirms our NxGxP business model and brand value. With the fresh funds, we would be able to focus on the company's growth, with immediate access to Yiguo's wide distribution network in China, strong capabilities in fresh food online operations and cold chain management."

Mr. Loh is also the Executive Chairman of First Alverstone Capital Limited ("**FACL**") and the Yiguo deal is a breakthrough for FACL, the current major shareholder of SunMoon.

In 2007, FACL stepped in as an investor after the global fruit trader ran into problems. At the time, FACL had recognized the brand value of the company and Mr. Loh pumped in funds to rescue SunMoon.

Over the years, FACL has provided SunMoon with the management expertise to transform the company, putting in place a strong business model after restructuring its debt and injecting capital.

Under the binding term sheet, SunMoon will place out 333.3 million new shares at 4.5 cents per share with free warrants to Yiguo on the basis of one warrant for every two placement shares subscribed. Each warrant shall carry the right to subscribe for one new share at the exercise price of 5.4 cents apiece.

The proposed placement to Yiguo would represent a 51% stake in the enlarged share capital of the company post-placement. As such, the company will apply to the Securities Industry Council for a whitewash waiver from the requirement to make a general offer. The deal would be subject to shareholders' approval. Upon completion, the company would have a total fund of close to S\$30 million, including the fresh funds from the placement and warrant exercise, enabling the company to execute its brand strategy.

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*This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 7 October 2016.*

### **ABOUT SHANGHAI YIGUO E-COMMERCE Co. LTD ([www.yiguo.com](http://www.yiguo.com))**

**Shanghai YIGUO E-commerce Co. Ltd** (“Yiguo”) is principally involved in the business of providing delivery of high quality fresh food to household and business consumers. It was established in 2005 as a pure online fruit retailer, and has since expanded its business to over 3,200 products in seven (7) categories of fresh food, namely, fruit, vegetable, seafood, meat, poultry and eggs, pantry and beverage, and dessert. Yiguo has an extensive geographic presence within the PRC covering 18 provinces and 144 cities, with logistics centres in Shanghai, Beijing, Guangzhou, Wuhan, Chengdu, Jinan, Fuzhou and Hangzhou. In addition to households, its corporate customers include Fortune 500 companies and domestic institutions providing staff service to foreign employers. In addition, Yiguo has entered into a strategic partnership with Alibaba, the largest e-commerce company in the PRC, since 2014.

### **ABOUT SUNMOON FOOD COMPANY LIMITED ([www.sunmoonfood.com](http://www.sunmoonfood.com))**

**SunMoon Food Company Limited** (“SunMoon”) is a global distributor and marketer of nutritious fresh fruits, vegetables and products, delivered to the health-conscious consumer in the most convenient way.

Started in 1983, SunMoon has grown its product offering to over 100 product types, including fresh fruits, vegetables, freeze-dried fruit snacks, nuts, fruit cups, fruit sticks, juices, sorbets, frozen fruits and assorted water packaged under its own brand.

With an extensive sales network of over 11,000 point of sales globally, SunMoon’s offering of quality, premium products are distributed via supermarkets, convenience stores, online and wholesale channels, airlines, food services as well as SunMoon’s franchise outlets in Singapore.

Since 2015, the company has shifted towards an asset-light consumer-centric and brand-focused business model by tapping on its strong brand equity and the Network x Geography x Product business model. Instead of owning farms, SunMoon works with farmers to ensure they meet its quality standards.

SunMoon's products come with the SunMoon Quality Assurance, backed by internationally recognised accreditations such as HACCP; Good Manufacturing Practice (GMP); AIB (Excellent), ISO 22000, Halal and Kosher Certification.

SunMoon was listed in 1997 on the Mainboard of the Singapore Exchange.

For details of SunMoon's NxGxP strategic model, please click [here](#) for its March 2016 Investor Update.

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Issued on behalf of **SUNMOON FOOD COMPANY LIMITED** by:

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