



SUNMOON FOOD COMPANY LIMITED

Registration No. 198304656K
(the "Company")

PROPOSED ISSUE OF

- (1) **333,333,333 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE PLACEMENT PRICE OF S\$0.045 PER SHARE; AND**
- (2) **166,666,667 FREE UNLISTED WARRANTS CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) SHARE EACH IN THE CAPITAL OF THE COMPANY AT THE EXERCISE PRICE OF S\$0.054 PER SHARE**

(COLLECTIVELY, THE "PROPOSED PLACEMENT")

- AMENDMENT TO THE PLACEMENT AGREEMENT

The board of directors ("**Directors**") ("**Board**") of the Company refers to its announcements dated 7 October 2016, 3 January 2017 and 14 May 2017 relating to the Proposed Placement (the "**Announcements**"). Capitalised terms not defined herein shall bear the same meanings ascribed to them in the Announcements.

The Board wishes to announce that the Company and the Placee have, on 13 May 2017, entered into an amendment agreement (the "**Amendment Agreement**") to amend the Placement Agreement and the Deed Poll constituting the Warrants.

1. AMENDMENT TO THE ORIGINAL PLACEMENT AGREEMENT AND THE DEED POLL

Under the Amendment Agreement, the Company and the Placee have agreed to amend the Placement Agreement (the "**Original Placement Agreement**") and the Deed Poll in relation to, *inter alia*, the terms set out in **Schedule 1** of this announcement.

2. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement (other than through their respective shareholdings in the Company, if any).

3. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full 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 Proposed Placement, 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.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has

been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

4. CIRCULAR TO SHAREHOLDERS

A circular to Shareholders, together with the notice of the EGM to be convened, to seek Shareholders' approval for, *inter alia*, the Proposed Placement will be despatched to Shareholders in due course.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Original Placement Agreement, the Deed Poll and the Amendment Agreement may be inspected at the registered office of the Company at 1 Scotts Road #21-07/08 Shaw Centre Singapore 228208 during normal office hours for a period of three (3) months from the date of this announcement

BY ORDER OF THE BOARD

Gary Loh Hock Chuan
Executive Chairman
14 May 2017

SCHEDULE 1 – SALIENT TERMS OF THE AMENDMENTS TO THE PLACEMENT AGREEMENT AND DEED POLL

1. Under the Original Placement Agreement, the issue price of the Adjustment Shares is stated to be S\$0.045. Pursuant to the Amendment Agreement, the Original Placement Agreement has been amended such that:
 - (a) "Adjustment Share Price" is defined to mean S\$0.045 for each Adjustment Share, or such adjusted price calculated based on the mechanisms as set out in the Placement Agreement;
 - (b) adjustment provisions are added such that the Adjustment Share Price will be adjusted in the event of, *inter alia*, any share consolidation, subdivision or conversion, capitalisation issue, capital distribution or rights issue; and
 - (c) in the event the Company issues equity derivatives at an exercise price or conversion price lower than the Adjustment Share Price (the "**Lower Price**") at any time prior to the date of issue of the Adjustment Shares, the Adjustment Share Price shall be reduced to a sum equal to the Lower Price, provided always that any such adjustment shall be certified by the Auditors or by an independent financial adviser as being not prejudicial to the shareholders of the Company.

Pursuant to the Amendment Agreement, each of the Company and the Placee undertakes that, from the date of the Original Placement Agreement up to the date of issue of the Adjustment Shares, it shall procure that no equity derivatives are issued by the Company at an exercise price or conversion price lower than the Adjustment Share Price.

2. Pursuant to the Amendment Agreement, the Company has given an undertaking to the Placee that from the date of the Original Placement Agreement up to and including the date of issue of the Placement Shares, it shall not issue or offer any equity derivatives.
3. Pursuant to the Original Placement Agreement, in the event the Company issues equity derivatives at an exercise price or conversion price lower than the Exercise Price (the "**Lower Price**"), at any time prior to the Expiration Date (being the market day immediately preceding the third anniversary of the date of issue of the Warrants), the Exercise Price shall be reduced to a sum equal to the Lower Price.

Pursuant to the Amendment Agreement, the above term shall be removed in its entirety and instead, in the event the Company issues equity derivatives at an exercise price or conversion price lower than the Exercise Price (the "**Lower Price**"), at any time prior to the date of issue of the Placement Shares, the Exercise Price shall be reduced to a sum equal to the Lower Price.

4. The Deed Poll is amended such that, if the Company shall, with the prior written consent of the Placee, in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire or subscribe for Shares, the Company and the Placee shall consider whether any adjustment is appropriate and if so, the Company and the Placee shall agree in writing to any adjustments to be made prior to the implementation of such adjustments, provided always that any such adjustment shall be certified by the auditors of the Company or by an independent financial adviser.
5. A new clause is added to the Deed Poll such that notwithstanding anything to the contrary in the conditions of the Warrants or the Deed Poll, in the event of any proposed modification(s) to the clause of the Deed Poll relating to the adjustments of Exercise Price and number of Warrants, and where such modification(s) to be made is/are prejudicial to the interests of the shareholders

of the Company, such modification(s) shall be subject to the approval of independent shareholders of the Company.