



SUNMOON FOOD COMPANY LIMITED

Registration No. 198304656K

(the "Company")

PROPOSED CHANGE OF AUDITORS FROM RT LLP TO ERNST & YOUNG LLP

1. The Board of the Company wishes to announce the Company's intention to undertake a change of auditors from Messrs RT LLP ("RT LLP") to Messrs Ernst & Young LLP ("EY") (the "**Proposed Change of Auditors**").
2. The Proposed Change of Auditors is recommended by the Audit and Risk Committee in view of the fact that the Proposed Change of Auditors enables the Company to benefit from fresh perspectives and the views of new auditors. More importantly, given the Company's extensive and increasing geographical presence, the appointment of a bigger audit firm will provide better support to the Group's business in other countries as well as to achieve greater reporting efficiency for the Group's audit arrangement.
3. The Board, after reviewing the credentials of audit firms, accepted the Audit and Risk Committee's recommendation for the appointment of EY in place of RT LLP, subject to the approval of the Shareholders at an extraordinary general meeting ("**EGM**") to be convened in due course.
4. In this regard, RT LLP had on 22 September 2017 applied to the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") to seek its consent to resign as auditors of the Company. On 9 November 2017, RT LLP had received a letter from ACRA approving its resignation as auditors of the Company and had on the same day, provided the Company their resignation letter dated 9 November 2017 stating the reasons for its resignation as the auditors of the Company (the "**Written Statement**").

A copy of the Written Statement is attached to this announcement.

5. In accordance with Section 205AB(5) of the Companies Act, Chapter 50, of Singapore (the "**Companies Act**") and the written approval from ACRA, the resignation of RT LLP as auditors of the Company had taken effect on 9 November 2017.
6. EY had on 15 November 2017 given its written consent to act as auditors of the Company which will be subject to approval of the Shareholders at the EGM.

Pursuant to Rule 712(3) of the Listing Manual and Section 205AF of the Companies Act, the appointment of EY in place of RT LLP must be specifically approved by shareholders at a general meeting. The appointment of EY would therefore take effect upon the approval of the same by shareholders at the EGM and, if appointed, EY will hold office until the conclusion of the next AGM.

7. In accordance with Rule 1203(5) of the Listing Manual:
 - (a) the outgoing auditors, RT LLP, has confirmed by way of a letter dated 20 September 2017, that they are not aware of any professional reasons why the new auditors, EY, should not accept appointment as auditors of the Company;
 - (b) the Company confirms that there were no disagreements with RT LLP on accounting treatments within the last 12 months;

- (c) the Company confirms it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders;
 - (d) the specific reasons for the Proposed Change of Auditors are provided in paragraph 2 above; and
 - (e) the Company confirms it is in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of EY.
8. The Board wishes to express their appreciation for the services rendered by RT LLP in the past.

DESPATCH OF CIRCULAR

9. The Company wishes to announce that a circular to Shareholders setting out information on the Proposed Change of Auditors, together with the notice of EGM will be despatched to Shareholders at a later date.
10. 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

James Prideaux
16 November 2017