



SUNMOON FOOD COMPANY LIMITED

Registration No. 198304656K

RESPONSE TO SGX QUERY

The Board of Directors of SunMoon Food Company Limited (the "**Company**") and, together with its subsidiaries, the "**Group**") has received query from the Singapore Exchange Securities Trading Limited ("**SGX**") following its announcement on 9 December 2019 (the "**Previous Announcement**"). The Company has responded to SGX's query and is announcing its reply below.

Unless otherwise defined, all defined terms herein have the same meaning as in the Previous Announcement.

SGX Query

"We note that the Directors are of the view that the claim will have no material adverse impact on, inter alia, the financial position and performance of the Group. Please disclose the basis in arriving at the Directors' view that the statutory demand will have no material impact on the Company, as well as the Group."

Company's Response

The Directors' basis is set out as follows:

- (i) the Company intends to reach an agreement with Wismettac to repay the claim amount in several instalments and on the basis that the claim is settled on an instalment basis, there will not be significant impact on the working capital of the Company. In this regard, the Company has reached out to Wismettac to explore a settlement arrangement; and
- (ii) in addition, the Board had received confirmation from its controlling shareholder, YiGuo General Food Pte. Ltd. ("**YiGuo**") that YiGuo will financially support the Company's payment obligations to Wismettac.

Based on the above, the Board is of the view that there will not be material adverse impact on, *inter alia*, the financial position and performance of the Group.

The Board wishes to also highlight that as the above matter is ongoing, the Board is unable to provide more information. The Company will keep shareholders updated as and when matters are established.

Shareholders and potential investors are advised to exercise caution in trading their shares. The Company will make further announcements as appropriate or when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

James Prideaux
Lead Independent Director

14 December 2019