



SUNMOON FOOD COMPANY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198304656K)

UPDATE TO SHAREHOLDERS

The Board of Directors (the **"Board"**) of SunMoon Food Company Limited (the **"Company"** and its subsidiaries, the **"Group"**) refers to the announcements of the Company dated 12 October 2020 and 15 October 2020.

The Board wishes to provide an interim update to the shareholders of the Company (**"Shareholders"**) on the following matters:

1. As announced on 12 October 2020, the Board is currently reviewing and assessing the Group's ability to continue operating as a going concern.

In this regard, the Board has various potential fund-raising options available to it and is currently in discussions with a potential investor on a specific funding option.

In view of the above developments and as the Company is unable to reasonably assess its financial position and inform the market accordingly, the Board has resolved that the trading of the shares of the Company continue to be suspended on a voluntary basis under Rule 1303(3)(c).

2. In addition, pursuant to the establishment of the Executive Committee (to take over the day-to-day management and operations of the Group from the management team), the Board would like to update that the Executive Committee has taken the following actions/steps:
 - (a) in relation the announcement on 12 October 2020 relating to Shanghai Yiguo E-Commerce Co., Ltd, Shanghai Winchain Supply Chain Management Co. Ltd and Shanghai Exfresh Logistic Co Ltd (**"3 YG Entities"**) as announced on 12 October 2020, the Executive Committee had commenced formal inquiry proceedings to question and to understand from the management team on the recent developments, as well as to address questions from the Executive Committee.
 - (b) appointed Chinese counsel on 16 October 2020 and would like to make a clarification to the 12 October 2020 announcement. The Board had been advised by its Chinese counsel that the 3 YG Entities were placed into involuntary bankruptcy reorganization (破产重组) by creditors.
 - (c) additionally, the Executive Committee had created (and implemented) a framework to work with the current management team so as to ensure that the business operations of the Company continue to operate and to reduce the impact (if any), pursuant to the recent developments, on the business operations of the Company.

In accordance with Rule 1304 of the Listing Rules, the Company shall submit a resumption proposal to the SGX with a view to resuming trading in its securities within 12 months of the date of suspension under Listing Rule 1303(3)(c). If the resumption proposals have not been implemented within the 6 months from the date the SGX indicates that it has no objection to the resumption proposal, the SGX may remove the Company from the Official List.

The Company will release update announcement(s) as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company. The Company will make the necessary announcements when there are material developments on this matter. Shareholders of the Company and potential investors are advised to read all announcements by the Company carefully and to consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD
SUNMOON FOOD COMPANY LIMITED**

James Prideaux
Chairman and Lead Independent Director

17 October 2020