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Headline *Singapore: SunMoon Food sells subsidiary for \$4.1m*

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SunMoon



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November 15, 2016:

November 15, 2016: Singapore-listed **SunMoon Food Company** announced Monday that it has entered into a binding conditional termsheet to sell its subsidiary United Agro Produce Pte Ltd (UAPL) and its dehydrated business to Global Food Ingredients Pte Ltd (GFI) for \$4.1 million.

The agreements also includes the sale of UAPL's subsidiaries, Taian FHTK Foodstuffs Co, Fook Yong Pte Ltd, and an indirect subsidiary, Taian Fook Huat Tong Kee Foodstuffs Co.

In a filing to the Singapore Exchange, the company said proceeds from the divestment will improve cash flow, provide additional working capital and/or fund other business ventures. The move also allows the company to realise the value of its assets, including production facilities in Tai'an, China.

The strategic move is also in part of efforts to focus on its fruit trading, wholesale distribution and retail and franchising business.

SunMoon also said that the disposal of the factory, land, land use rights and associated equipment and business in the UAPL Group and its subsidisers in China will raise cash to fund its other business ventures.

The purchase consideration which will become payable on completion, will be paid in three tranches of equal instalments, its filing added.

Ardent Business Advisory Pte Ltd will serve as the independent valuer in respect of the shares and assets of the UAPL Group and the Dehydrated Business in the Group.

Formerly owning its own fruit plantations, as well as processing and storage facilities, it has shifted to an asset-light strategy that positions it as a manager of fruits supply network.

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