



SUNMOON FOOD COMPANY LIMITED

(Incorporated in the Republic of Singapore)

Registration No. 198304656K

ENTRY INTO A COOPERATION FRAMEWORK AGREEMENT

1. INTRODUCTION

The board of directors (the “**Directors**” or collectively, the “**Board**”) of SunMoon Food Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce to shareholders of the Company (“**Shareholders**”) that the Company had on 9 September 2023, entered into a cooperation framework agreement (the “**Agreement**”) with Xiaomai International Holdings Group Co Ltd (晓麦国际控股集团有限公司) (“**XIH**”) (collectively, the “**Parties**”) in relation to the exploration of potential opportunities in the ready-to-cook products⁽¹⁾ industry, fruit exports and animal protein imports (collectively, the “**Proposed Cooperation**”).

Note:

(1) The term ready-to-cook products refers to pre-packaged and prepared meal(s) which include all of the meal ingredients. Consumers will be provided with the preparation or cooking instructions/processes that are stated on the package.

2. INFORMATION ON XIH

- 2.1 XIH (previously known as Xiao Mai (Yantai) Plantation Co, Ltd (晓麦(烟台)产业园有限公司)) is a company incorporated in year 2022 and located in Yantai City Shandong Province. XIH has a paid-up capital of RMB 167,088,600 (approximately S\$31,012,182).
- 2.2 XIH is an investment holding company and engages in investments relating to, amongst other things, fresh produces supply chain management and Chinese cuisine standardization integrated industry chain management.
- 2.3 XIH is also the controlling shareholder with 51% of shares of Yantai XMSS Supply Chain Co., Ltd, of which Shanghai SunMoon Food & Aquatic International Trading Co., Ltd, a wholly owned subsidiary of the Company, owns 49% of shares. For more details, please refer to the Company’s SGX-Net announcement dated 3 November 2022.

3. SUMMARY OF THE KEY TERMS OF THE AGREEMENT AND RATIONALE

3.1 Key terms of the Agreement

Under the Agreement, the key obligation of the Company is to establish a company in Yantai City, Shandong Province. The intention is to conduct and operate business operations in Yantai City as one of the business headquarters and progressively expand the business.

With the cooperation framework set out in the Agreement, both Parties aim to contribute by exchanging expertise and specific strengths which include the procurement of raw materials, supply chain channels and industry knowledge to work on the ready-to-cook products⁽¹⁾, fruit exports and animal protein imports.

Both Parties will discuss further to establish comprehensive agreement(s) and the Company will provide further details in subsequent announcement(s) in accordance with the listing rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at the appropriate juncture.

3.2 Rationale

The entry by the Company into the Agreement is part of the Company’s efforts to expand its product offerings and its sales network and gain further potential cooperation opportunities in the near future.

The Proposed Cooperation will enable the Group to be directly involved in new product offerings, such as the ready-to-cook products⁽¹⁾. The business of ready-to-cook products⁽¹⁾ will allow the Company to tap on health-conscious individuals and provide consumers with convenience as well as healthy, safe, nutritious, tasty and authentic Chinese food through advanced management means.

4. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for their respective shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company) in the Proposed Cooperation.

5. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Agreement will be made available for inspection during normal business hours at the Company’s registered office at 1 Scotts Road, #21-07 Shaw Centre, Singapore 228202 for a period of three (3) months commencing from the date of this announcement.

6. **CAUTION IN TRADING**

The Company will provide further details in subsequent announcements in accordance with the listing rules of the SGX-ST at the appropriate juncture. In the meantime, the Board wishes to advise shareholders of the Company and potential investors to exercise caution in their dealings in shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax and other advisers.

BY ORDER OF THE BOARD

Mr James Prideaux
Chairman and Lead Independent Director

10 September 2023