

ENTRY INTO DISTRIBUTION AGREEMENT AND JOINT VENTURE AGREEMENT BY THE WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, EVERTRUST DISTRIBUTION PTE. LTD.

1. INTRODUCTION

The board of directors (“**Board**” or, “**Directors**”) of V2Y Corporation Ltd. (“**Company**”, together with its subsidiaries, the “**Group**”) refers to the announcement dated 22 November 2024 in relation to the incorporation of a new subsidiary, Evertrust Distribution Pte. Ltd. (“**EDPL**”), by V2Y Pte. Ltd. (“**V2YPL**”), a wholly-owned subsidiary of the Company.

Subsequent to the incorporation of EDPL, the Board wishes to announce that EDPL has, on 29 November 2024 entered into the following agreements:

- (a) a joint venture agreement in connection with EDPL (“**Joint Venture Agreement**”), to regulate the relationship of the shareholders of EDPL, being V2YPL and Green Grapes Pte. Ltd. (“**GGPL**”), and the conduct of the business of trading and distribution of food and food products; and
- (b) an exclusive distribution agreement (“**Distribution Agreement**”) with 寿光乐义蔬菜科技发展有限公司 (Shouguang Leyi Vegetable Technology Development Co., Ltd) (“**Shouguang Leyi**”), a company based in Shouguang city in Shandong Province, People’s Republic of China (“**PRC**”) that is engaged in the cultivation of fresh agricultural produce, leveraging on advanced agricultural technologies to supply its produce to retailers across the PRC and international markets.

2. THE JOINT VENTURE AGREEMENT

2.1. Information on the Joint Venture Partner

GGPL is a company incorporated in Singapore with an issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares. GGPL’s principal activities comprise the wholesale trade of goods without a dominant product. The sole director of GGPL is Boo Xing Long and the shareholders of GGPL are Zhuang Xinkui and Zhuang Guoliang, who each hold 49% and 51% of the shareholding interest in GGPL respectively.

Prior to the entry into the Joint Venture Agreement, GGPL and its director and shareholders are not related to the Group, the Company, its directors and controlling shareholders and their respective associates.

2.2. Rationale for the Joint Venture

The entry into the Joint Venture Agreement represents the co-operation between V2YPL and GGPL to carry on the business of trading and distribution of food and food products through the Distribution Agreement entered into with Shouguang Leyi. Further details in connection with the Distribution Agreement are set out in Section 3 of this announcement.

The Group has identified GGPL as its joint venture partner due to GGPL’s extensive business connections in the food industry, including but not limited to Shouguang Leyi. By participating in the joint venture, the Group also seeks to gain insights into food and food product trading and distribution business, and this joint venture serves as an opportunity for the Group to assess the viability and potential returns of entering into this trading and distribution industry since obtaining the Company’s shareholders approval for the diversification of the Group’s existing core business to include (a) the F&B retail business, involving the operation of restaurants and food stalls serving

food and beverages; (b) the food catering business, and (c) the business of trading and distribution of food and food products.

2.3. Capitalisation of EDPL

As at the date of this announcement, EDPL has been incorporated in Singapore with an issued and paid-up share capital of S\$100 comprising 100 ordinary shares held by V2YPL.

Pursuant to the Joint Venture Agreement, the Company shall allot and issue new ordinary shares to V2YPL and GGPL within five (5) business days of the execution of the Joint Venture Agreement at the subscription price of S\$1.00 for each new share such that V2YPL and GGPL shall have the shareholding proportions as set out below:

| <u>Shareholder</u> | <u>Number of Shares</u> | <u>Shareholding Proportion</u> |
|--------------------|-------------------------|--------------------------------|
| V2YPL | 51,000 | 51% |
| GGPL | 49,000 | 49% |
| Total | 100,000 | 100% |

Following the allotment and issuance of the new ordinary shares, EDPL will have an issued and paid-up share capital of S\$100,000 comprising of 100,000 ordinary shares.

2.4. Business of EDPL

EDPL will be principally engaged in the business of trading and distribution of food and food products, and any other business as the shareholders of EDPL may agree.

2.5. Board composition of EDPL

The board of directors of EDPL shall comprise three (3) directors or such other number as the shareholders may mutually agree, of which V2YPL shall have the right to appoint two (2) directors and GGPL shall have the right to appoint one (1) director.

2.6. Financing

Additional finance required by EDPL shall be approved by EDPL's board of directors and shareholders.

In the event that EDPL's board of directors determines that EDPL requires working capital or other financing for its business, EDPL will use commercially reasonable efforts to obtain such financing on commercially reasonable terms in the following descending order of preference:

- (a) external borrowings from third parties (including banks and other financial institutions) ("**External Financing**");
- (b) interest-bearing loans from the shareholders (the "**Shareholder Loans**"); and
- (c) capital injection by way of subscription for shares for cash.

In the event where financing is obtained by way of subscription for shares for cash, each of the shareholders of EDPL shall procure that all new issues of shares by EDPL are first offered to the shareholders in proportion to their respective proportion of their shareholding in the EDPL (as nearly as may be).

2.7. Financial Effects of the Joint Venture

The subscription of shares in the EDPL by V2YPL will be funded by the Group's internal resources and the joint venture is not expected to have any material impact on the consolidated net tangible

assets per share and consolidated earnings per share of the Company and the Group for the current financial year ending 31 December 2024.

3. THE DISTRIBUTION AGREEMENT

3.1. Salient terms of the Distribution Agreement

Under the terms of the Distribution Agreement, Shouguang Leyi grants EDPL an exclusive licence together with all rights, benefits and entitlements attaching and accruing thereto, to sell chinese cabbage and such other products produced by Shouguang Leyi as agreed in writing from time to time (the “**Products**”) in countries in Southeast Asia and such the other regions as may be agreed in writing from time to time (the “**Regions**”), pursuant to the terms and subject to the conditions of the Distribution Agreement.

EDPL’s appointment as distributor of the Products shall commence from 1 December 2024 and shall continue in effect for a period of three (3) years (“**Initial Period**”), and shall be automatically renewed on the same terms and conditions set out therein (unless otherwise agreed in writing between the parties) for further successive periods of three (3) years (each, a “**Renewed Period**”, and together with the Initial Period, shall be referred to as the “**Term**”). Either party may give prior written notice of non-renewal to the other party six (6) months in advance of the expiry of each Renewed Period. For the avoidance of doubt, no notice of non-renewal of the Distribution Agreement may be issued during the Initial Period.

The Distribution Agreement provides that EDPL shall purchase from Shouguang Leyi a projected target of S\$10,000,000 during the period from 1 December 2024 to 31 December 2025 and the projected target for each subsequent year shall be subject to further review by the Shouguang Leyi at the second half of each subsequent year (“**Sales Target**”). The Distribution Agreement further provides that the parties acknowledge and agree that the failure to meet the Sales Target shall not, in itself, constitute a breach of the Distribution Agreement. No penalties or compensation shall be imposed on EDPL in the event where the relevant Sales Target is not met for each year during the Term.

3.2. Rationale for the Distribution Agreement

With the entry into the Distribution Agreement by EDPL, the Group will commence its business in the trading and distribution of food and food products in accordance with the business diversification mandate which the Company had obtained from the shareholders of the Company on 8 October 2024.

The Group intends to sell the Products purchased to resellers by identifying and engaging potential partners who are interested in carrying and reselling the Products, ensuring efficient trade and distribution. To the best of the Group’s knowledge, the required certifications and licenses for the sale and export have been obtained from the relevant authorities in the PRC and the Group will work with third parties to obtain the necessary certifications for the distribution of the Products in Singapore.

The Group’s food trading and distribution business will be funded through internal cash resources and more specifically through the leveraging of rollover funds generated from the sale of Products.

3.3. Financial Effects of the Distribution Agreement

The Distribution Agreement is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Company and the Group for the current financial year ending 31 December 2024.

4. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests in the share capital of the Company, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the transactions contemplated above.

5. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Joint Venture Agreement and the Distribution Agreement will be made available for inspection during normal business hours at the registered office of the Company at 16 Raffles Quay, #17-03 Hong Leong Building, Singapore 048581 for a period of three (3) months from the date of this announcement.

6. FURTHER UPDATES

The Company will update the Shareholders if there are any material developments and will make the necessary announcements on SGXNet in compliance with the Catalist Rules of the SGX-ST.

7. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD V2Y CORPORATION LTD.

Ang Wei Yang Felix
Executive Director and Chief Executive Officer

30 November 2024

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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