



## SUNMOON FOOD COMPANY LIMITED

(Incorporated in the Republic of Singapore on 29 September 1983)

Registration No. 198304656K

(the “Company”)

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### NON-BINDING TERM SHEET RELATING TO THE PROPOSED JOINT VENTURE BETWEEN THE COMPANY AND ZHANG JIANG QUAN

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#### 1. Introduction

- 1.1 The board of directors (“**Board**”) of SunMoon Food Company Limited (the “**Company**”) is pleased to announce that the Company has on 27 April 2015 entered into a term sheet (the “**Term Sheet**”) with Zhang Jiang Quan (“**Mr. Zhang**”) (the Company and Mr. Zhang collectively referred to as the “**Parties**”).

#### 2. The Term Sheet

- 2.1 The Term Sheet relates to the proposed joint venture between the Company and Mr. Zhang, in a company to be incorporated (“**Newco**”), which has or will have rights to operate fruit stores under the name “Harvest Season Group” in the People’s Republic of China (“**PRC**”) (the “**Proposed Joint Venture**”). Under the Proposed Joint Venture, the Company will acquire a 51% equity interest in Newco.
- 2.2 Mr. Zhang currently operates more than 6 stores under the “Harvest Season Group” (“**Harvest Season**”) in and around Shanghai, PRC. Harvest Season is a fast expanding, premium-concept fruit retailer operating more than 6 stores in Zhenjiang and Nanjing in the Jiangsu province. The province is home to a population of more than 100 million and is one of the fastest growing middle income regions in China. Headquartered in Shanghai, Harvest Season operates complementary online and store-based delivery channels, thereby allowing it to reach out to a wider field of consumers who can benefit from both the convenience of delivery and immediate purchase of fresh, quality fruits from its physical stores. The fresh, stylish and upbeat concept for its stores which sell a combination of imported and domestic fruits, juices and convenience foods attracts all age groups.
- 2.3 The Parties intend to negotiate the terms of the definitive agreement on the Proposed Joint Venture.
- 2.4 Pursuant to the Term Sheet, the Parties have agreed that, *inter alia*, for a period of ninety (90) days from the date of the Term Sheet, either party shall not solicit or negotiate any proposal from any other person or entity which would frustrate the possibility of the Parties proceeding with the Proposed Joint Venture.
- 2.5 The Term Sheet also contains provisions that provide for the Parties to exchange information to enable the other party to evaluate the viability of the Proposed Joint Venture.

#### 3. FURTHER ANNOUNCEMENTS

- 3.1 The Company will make further announcements as and when appropriate to update shareholders on the progress of the above transactions. Shareholders of the Company and potential investors should exercise caution when trading in the 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 Gary Loh Hock Chuan  
Executive Chairman

27 April 2015