



## SUNMOON FOOD COMPANY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198304656K)

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1. **ANNOUNCEMENT OF MATERIAL INFORMATION - SHANGHAI YIGUO E-COMMERCE CO., LTD, SHANGHAI WINCHAIN SUPPLY CHAIN MANAGEMENT CO. LTD AND SHANGHAI EXFRESH LOGISTIC CO LTD PLACED INTO VOLUNTARY BANKRUPTCY REORGANISATION IN THE PEOPLE'S REPUBLIC OF CHINA**
  2. **ESTABLISHMENT OF EXECUTIVE COMMITTEE**
  3. **ASSESSMENT OF THE GROUP'S ABILITY TO CONTINUE OPERATING AS A GOING CONCERN**
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### 1. **MATERIAL INFORMATION RELATING TO YIGUO-RELATED ENTITIES**

- 1.1 The Board of Directors (the "**Board**") of SunMoon Food Company Limited (the "**Company**") and its subsidiaries, the "**Group**") would like to provide the following updates to shareholders of the Company ("**Shareholders**").
- 1.2 On or around late Friday evening (9 October 2020), Mr James Prideaux, Mr Gary Loh Hock Chuan, Ms Ng Bie Tjin@Djuniarti Intan and Mr Yang Guang, became aware that Shanghai Yiguo E-Commerce Co., Ltd, Shanghai Winchain Supply Chain Management Co. Ltd and Shanghai Exfresh Logistic Co Ltd ("**3 YG Entities**"), were placed into voluntary bankruptcy reorganisation ("**Bankruptcy Re-organisation**") under Chinese law on 30 July 2020.
- 1.3 For Shareholders' information, Shanghai Yiguo E-Commerce Co., Ltd is the ultimate holding company of Yiguo General Food Pte Ltd. As at the date of this announcement, Yiguo General Food Pte Ltd, holds approximately 59.9% of the total issued share capital of the Company.
- 1.4 Based on the Company's latest announced financial statement for the financial period ended 30 June 2020 ("**1Q FY2020/21 Results**"), the total account receivables, including advances/prepayment net of accounts payables owing from the Yiguo-related entities (which includes the 3 YG Entities) amount to approximately S\$13.2 million (and approximately S\$12.4 million from the 3 YG Entities). For more details, Shareholders are advised to read the 1Q FY2020/21 Results announcement dated 30 September 2020 released on SGX-NET website.
- 1.5 Additionally, the Board understands that the deadline to file the creditors' proof of debt in respect of the Bankruptcy Reorganisation is on 19 October 2020. In this regard, the Executive Committee constituted by the Board (details of which are described below) has been authorized to appoint the necessary professionals to advise the Company as to the Bankruptcy Reorganisation including the filing of the creditors' proof of debt.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company as there is no certainty in relation to the collectability of the trade receivables/debts owing from the YG-related entities. 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.**

## **2. ESTABLISHMENT OF EXECUTIVE COMMITTEE**

- 2.1 In view of the above, the Board has constituted an Executive Committee comprising of Mr James Prideaux, Mr Gary Loh Hock Chuan, Ms Ng Bie Tjin@Djuniarti Intan and Mr Yang Guang. The Executive Committee will, with immediate effect take over the day-to-day management and operations of the Group from the management team.
- 2.2 The management team will with immediate effect, take direct instructions from the Executive Committee.

## **3. ASSESSMENT OF THE GROUP'S ABILITY TO CONTINUE OPERATING AS A GOING CONCERN**

- 3.1 In view of the Bankruptcy Re-organisation relating to the Yiguo-related entities (in particular, the 3 YG Entities) and the total amount of the account receivables due and owing from the Yiguo-related entities (see paragraph 1.4 above and 1Q FY2020/21 Results), the Board takes the view that there will be a material impact on the Group's ability to continue operating as a going concern.
- 3.2 However, the Board is unable to assess and evaluate the impact of Bankruptcy Re-organisation as the Board does not currently have access to the court papers filed in the Chinese Courts. The Board's current information is derived from information available in the public domain which did not state details of the plans and grounds of the Bankruptcy Re-organisation application to the Chinese Courts.
- 3.3 The Board has been and intends to continue to explore various possible options to address the issue of going concern including seeking to raise funds from investors.

**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 EXECUTIVE COMMITTEE  
SUNMOON FOOD COMPANY LIMITED**

James Prideaux  
Chairman and Lead Independent Director  
Executive Committee

12 October 2020