

CIRCULAR DATED 14 SEPTEMBER 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your Shares, you should forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. Approval by the SGX-ST is not to be taken as an indication of the merits of the Proposed Expanded IPT General Mandate (as defined herein), the Company, its subsidiaries and/or its securities.

The legal advisers appointed by the Company for the purpose of the corporate actions set out in this Circular is David Lim & Partners LLP.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined in the section entitled “**Definitions**”.



SUNMOON FOOD COMPANY LIMITED

(Incorporated in the Republic of Singapore on 29 September 1983)
(Company Registration Number: 198304656K)

CIRCULAR TO SHAREHOLDERS

in relation to

**THE PROPOSED EXPANDED INTERESTED PERSON TRANSACTIONS
GENERAL MANDATE**

**Independent Financial Adviser in relation to
The Proposed Expanded IPT General Mandate**



RHT CAPITAL PTE. LTD.

(Company Registration Number: 201109968H)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

- Last date and time for lodgement of Proxy Form : 26 September 2021 at 2:15 p.m.
- Date and time of Extraordinary General Meeting : 29 September 2021 at 2:15 p.m. (or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2:00 p.m. on the same day by way of electronic means)
- Place of Extraordinary General Meeting : By way of electronic means

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

- “2020 AGM”** : The Company’s annual general meeting held on 29 September 2020
- “IPT General Mandate (29 Sep)”** : The general mandate, pursuant to Chapter 9 of the Listing Manual for the Group to enter into the IPTs with the Interested Persons, obtained at the Company’s annual general meeting held on 29 September 2020, the details of which are set out under Section 3.2 of this Circular
- “aqua-food”** : Includes all aquatic food and/or its by-products (processed or otherwise) which are derived or obtained from aquaculture which includes fish, shrimp and shellfish farming
- “Approval Threshold”** : Means each relevant approval threshold as set out in Section 3.7.1(b) of this Circular
- “agri-food”** : Includes food which are produced agriculturally and/or products (processed or otherwise), for commercial purposes
- “Audit and Risk Committee”** : The Audit and Risk Committee of the Company, comprising Ms Ng Bie Tjin @ Djuniarti Intan, Mr James Prideaux, Mr Yang Guang and Mr Jin Guanglei, as at the date of this Circular
- “Audited FY2020/21 NTA”** : Means the Group’s audited NTA as at 31 March 2021 of approximately S\$8,722,000

DEFINITIONS

“Board of Directors” or “Board”	:	Means the board of Directors of the Company as at the Latest Practicable Date
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 14 September 2021
“Company”	:	SunMoon Food Company Limited
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore as amended, supplemented or modified from time to time
“Director”	:	A director of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on pages 55 to 59 of this Circular
“FY2019/20”	:	Financial year ended 31 March 2020
“FY2020/21”	:	Financial year ended 31 March 2021
“FY2021/22”	:	Financial year ended 31 March 2022
“Group”	:	The Company and its subsidiaries
“IFA” or “Independent Financial Adviser”	:	RHT Capital Pte. Ltd., being the independent financial adviser in connection with the Proposed Expanded IPT General Mandate
“IFA Letter”	:	The letter dated 14 September 2021 from the IFA to the IPT Recommending Directors as set out in Appendix A, to this Circular

DEFINITIONS

- “Interested Persons”** : Has the meaning ascribed to it in Section 3.4 of this Circular
- “Interested Persons Transactions” or “IPTs”** : Means the (a) transactions relating to the purchase and sale of seafood, meat, poultry, fruits, vegetables, aqua-food, pastry, beverages and desserts (both alcoholic and non-alcoholic) and agri-food related products, processed or otherwise, and their by-products including any other ancillary products bought or sold between the Yiguo Group and the Group which aids or is relevant in the purchase and sale of the aforementioned products; and (b) the provision of support services relating to, obtaining of leases or subleases of warehouse space, office space, logistics and transportation as well as any related ancillary services
- “IPT 2020 Addendum”** : The addendum to Shareholders dated 7 September 2020 in relation to, *inter alia*, the IPT General Mandate (29 Sep)
- “IPT Independent Shareholders”** : Shareholders who are deemed independent for the Proposed Expanded IPT General Mandate
- “IPT Recommending Directors”** : The Directors who are regarded as independent for the purpose of the Listing Manual and the Proposed Expanded IPT General Mandate, namely Mr Gary Loh Hock Chuan, Mr James Prideaux, Ms Ng Bie Tjin @Djuniarti Intan and Mr Yang Guang
- “Latest Practicable Date”** : 8 September 2021, being the Latest Practicable Date prior to the printing of this Circular

DEFINITIONS

“Listing Manual”	:	The listing manual of the SGX-ST, as amended, supplemented or modified from time to time
“Notice of EGM”	:	The notice of the EGM which is set out on pages 55 to 59 of this Circular
“NTA”	:	Net tangible assets
“Relevant IPTs”	:	Means the Interested Persons Transactions entered into between the Group and the entities within the Yiguo Group as set out in Section 3.1.7 for the Relevant Period
“PRC”	:	The People’s Republic of China
“Proposed Expanded IPT General Mandate”	:	The proposed general mandate pursuant to Chapter 9 of the Listing Manual for the Group to enter into the Interested Person Transactions with the Interested Persons
“Relevant Period”	:	The time period from 1 April 2019 up to and including the conclusion of this EGM
“SFA”	:	The Security and Futures Act (Chapter 289) of Singapore as amended, supplemented or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares, except where the registered depositor is CDP, the term “Shareholders” shall, in relation to such shareholders, means the persons to whose securities accounts maintained with CDP are credited with the Shares

DEFINITIONS

“Shares”	:	Ordinary shares in the capital of the Company
“Yiguo”	:	Shanghai YIGUO E-Commerce Co., Ltd
“Yiguo Group”	:	Means Shanghai YIGUO E-Commerce Co., Ltd, its subsidiaries, its associated companies and its associates (as defined in the Listing Manual)
“%” or “per cent.”	:	Percentage or per centum

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA. The term “**subsidiary**” has the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Listing Manual or any relevant laws of the Republic of Singapore or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or any relevant laws of the Republic of Singapore or any statutory modification thereof as the case may be, unless the context requires otherwise.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

Any discrepancies in the tables included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

SUNMOON FOOD COMPANY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198304656K)

Directors:

Mr James Prideaux (Non-Executive Chairman and Lead Independent Director)
Mr Gary Loh Hock Chuan (Deputy Chairman and Non-Executive Director)
Mr Zhang Ye (Executive Director and Chief Executive Officer)
Mr Cen Jian (Executive Director)
Mr Xue Yuning (Non-independent and Non-Executive Director)
Mr Jin Guanglei (Non-Independent and Non-Executive Director)
Ms Ng Bie Tjin @Djuniarti Intan (Independent Director)
Mr Yang Guang (Independent Director)

Registered Office:

1 Scotts Road
#21-07/08/09,
Shaw Centre
Singapore 228202

Date: 14 September 2021

To: The Shareholders of SunMoon Food Company Limited

Dear Sir/Madam

THE PROPOSED ADOPTION OF A SHAREHOLDERS' MANDATE FOR INTERESTED PERSONS TRANSACTIONS

1. INTRODUCTION

- 1.1 The Directors proposed to convene an EGM to be held on 29 September 2021 to seek Shareholders' approval for the Proposed Expanded IPT General Mandate, the details of which are set out in Section 3.5 of this Circular.
- 1.2 The purpose of this Circular is to provide Shareholders with information in respect of the **Proposed Expanded IPT General Mandate**, and to seek approval of Shareholders at the EGM for the matters set out in the Notice of EGM on pages 55 to 59 of this Circular.

LETTER TO SHAREHOLDERS

In relation to the Proposed Expanded IPT General Mandate, the Board wishes to explain to Shareholders that the Company is now seeking to obtain Shareholders' approval for a new Proposed Expanded IPT General Mandate as the nature and scope of the IPT General Mandate (29 Sep) as described (which was last approved by Shareholders at the 2020 AGM), could potentially be construed as being narrower in scope than the IPTs currently undertaken (in particular, the Relevant IPTs) between the Group and the Yiguo Group. For more details, please refer to Sections 3.1.7 and 3.2 of this Circular.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

2. REQUIREMENTS OF CHAPTER 9 OF THE LISTING MANUAL FOR INTERESTED PERSONS TRANSACTIONS

2.1 Chapter 9 of the Listing Manual applies to transactions which a company listed on the SGX-ST or any of its subsidiaries or associated companies, which is considered to be an "*entity at risk*" within the meaning of Rule 904(2) of the Listing Manual, proposes to enter into with a counter-party who is an interested person of the listed corporation within the meaning of Rule 904(4) of the Listing Manual.

2.1.1 Definitions under Chapter 9 of the Listing Manual

The following definitions are contained in the Listing Manual:

- (a) An "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Listing Manual.

LETTER TO SHAREHOLDERS

- (b) An “**associate**” in relation to any director, chief executive officer, substantial shareholder or controlling shareholder means (i) his immediate family (that is, his spouse, child, adopted child, step-child, sibling or parent), (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, and, in relation to a substantial shareholder or a controlling shareholder which is a company, means its subsidiary or holding company or a subsidiary of such holding company or a company in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- (c) An “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or the group.
- (d) A “**controlling shareholder**” means a person who holds (directly or indirectly) 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the company or one who in fact exercises control over the company.
- (e) An “**entity at risk**” means:
- (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed group that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

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- (f) An “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.
- (g) An “**interested person transaction**” means a transaction between an entity at risk and an interested person.

2.1.2 General Requirements – Materiality Thresholds, Disclosure Requirements and Shareholders’ Approval

An immediate announcement and/or Shareholders’ approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

Rule 905 of the Listing Manual states that a listed company must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group’s latest audited consolidated net tangible assets, or if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group’s latest audited consolidated net tangible assets, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

Rule 906 of the Listing Manual states that a listed company must also obtain shareholder approval for any interested person transaction of a value equal to, or more than (i) 5% of the group’s latest audited consolidated net tangible assets; or (ii) 5% of the group’s latest audited consolidated net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

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Rule 920 of the Listing Manual also permits a listed company to seek a mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, that may be carried out with the interested persons. Transactions conducted under such a mandate are not subject to Rules 905 and 906 of the Listing Manual. The general mandate is subject to annual renewal.

2.1.3 Excluded transactions

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction with a value of less than S\$100,000 is not considered material and is not taken into account for the purposes of this Circular. However, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction having regard to the objective of Chapter 9 of the Listing Manual and the economic and commercial substance of the interested person transaction, instead of legal form and technicality.

2.1.4 Circular requirements

Pursuant to Rule 920(1)(b) of the Listing Manual, a circular to shareholders seeking a general mandate must include:

- (a) unless the Exchange requires otherwise, the names of the interested persons with whom the entity at risk will be transacting;
- (b) the nature of the transactions contemplated under the mandate;
- (c) the rationale for, and benefit to, the entity at risk;
- (d) the methods or procedures for determining transaction prices;

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- (e) the independent financial adviser's opinion on whether the methods or procedures in (iv) are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders;;
- (f) an opinion from the audit committee if it takes a different view to the independent financial adviser;
- (g) a statement from the issuer that it will obtain a fresh mandate from shareholders if the methods or procedures in Section 2.1.4(d) of this Circular become inappropriate; and
- (h) a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.

2.1.5 Illustration

For illustration purposes, based on the Group's latest audited accounts for the financial year ended 31 March 2021, the Group's latest Audited FY2020/21 NTA is approximately S\$8,722,000. Accordingly, in relation to the Group, for the purposes of Chapter 9 in the current financial year, Shareholders' approval would be required where:

- (a) an IPT which is of a value equal to, or more than, approximately S\$436,000, being five per cent. (5.0%) of the Group's latest Audited FY2020/21 NTA; or
- (b) an interested person transaction, when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, approximately S\$436,000. The aggregation will exclude any IPT(s) that has been approved by Shareholders previously, or is the subject of aggregation with another IPT that has been approved by Shareholders.

LETTER TO SHAREHOLDERS

3. THE PROPOSED EXPANDED IPT GENERAL MANDATE

3.1 Background of the Group's business and operations

- 3.1.1 Since year 2015, the Group, a global distributor and marketer of fresh fruits, vegetables and fruit-derived products, began transforming its global supply chain platform. The Group's focus was on an asset-light, consumer-centric and brand focused strategy so as to scale up the Group's "**Network x Geography x Product**" business model exponentially and efficiently.
- 3.1.2 In year 2017, the Company undertook a placement exercise to Shanghai YIGUO E-Commerce Co., Ltd ("**Yiguo**") (and Yiguo became a controlling shareholder of the Company as a result). The main purpose of the placement exercise was to raise funds for working capital as well as the Company's belief in the synergy between the businesses of both the Company and Yiguo (which is set out in more details below).

Information on Yiguo and its business

Yiguo is a company incorporated in Shanghai, the PRC. It is principally involved in the business of providing delivery of high quality fresh food to household and business consumers. It was established in 2005 as a pure online fruit retailer, and has since expanded its business to over 3,200 products in seven (7) categories of fresh food, namely, fruit, vegetable, seafood, meat, poultry and eggs, pantry and beverage, and dessert ("**Yiguo's Business**"). Yiguo has an extensive geographic presence within the PRC covering 18 provinces and 144 cities, with logistics centers in Shanghai, Beijing, Guangzhou, Wuhan, Chengdu, Qingdao, Shenyang and Xi'an. In addition to households, its corporate customers include Fortune 500 companies, and government enterprises.

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- 3.1.3 In view of Yiguo's well-established presence in the PRC (as described above), the Company believed in the synergy between the business of the Company and Yiguo and accordingly sought Shareholders' approval at a general meeting dated 16 June 2017, by way of the shareholders' circular dated 30 May 2017. For more details, Shareholders can refer to the shareholders' circular dated 30 May 2017.
- 3.1.4 In addition to the Group's traditional offerings of fruits and vegetables related products, the Group has been working to rapidly expand its digital sales network and enable the Group to establish and secure the SunMoon brand within the mindshare of the new sophisticated consumer when it comes to health, freshness and natural goodness. In order to do so, the Group has been working to provide a wider range of product offerings from farm to fork, including but not limited to seafood, meat, fruits, vegetables, beverages (both alcoholic and non-alcoholic), aqua-food and agri-food related products and other related products and services.
- 3.1.5 As set out in the Company's annual report for the financial year ended 31 March 2019, Mr Zhang Ye had reiterated in his CEO's message to make and execute relevant action plans under the "**Network x Geography x Product**" business model. The expansion of a wider range of product offerings remains consistent with one of the two core strategies, which is to *inter alia*, "*...aim to strengthen SunMoon both as the product and channel brand through continuous strengthening and expansion of the distribution network.*"
- 3.1.6 As described above, the Group's business' direction, objectives and intention has consistently been to, provide a wider range of product offerings and the Company believes that this can be achieved by tapping on Yiguo's expertise in the Yiguo's Business, cold chain and supply chain network and contacts in the PRC.

LETTER TO SHAREHOLDERS

3.1.7 Relevant IPTs undertaken

As highlighted in Section 1.2 above, the Company is seeking Shareholders' approval for a new Proposed Expanded IPT General Mandate as the nature and scope of the IPT General Mandate (29 Sep) as described (which was last approved by Shareholders at the 2020 AGM), could potentially be construed as being narrower in scope than the IPTs currently undertaken between the Group and the Yiguo Group.

Details and aggregate value of the Relevant IPTs

Details of the Relevant IPTs (including those which are less than S\$100,000) entered into by the Group and Yiguo Group for the periods (a) from 1 April 2019 to 31 March 2020, (b) from 1 April 2020 to 31 March 2021 and (c) from 1 April 2021 to the Latest Practicable Date are set out below.

Shareholders are to note that the Company will, on a date prior to the EGM, release an announcement to update Shareholders on the details of the recurrent IPTs entered by the Group and Yiguo Group from the Latest Practicable Date to a date (to be determined by the Board) prior to the EGM.

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LETTER TO SHAREHOLDERS

Interested Persons	Nature of IPTs	Aggregate value of all recurrent IPTs from 1 April 2019 (being the commencement of the FY2019/20) to 31 March 2020 ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2019 to 31 March 2020 as a percentage against the Audited FY2019/20 NTA ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2020 (being the commencement of the FY2020/2021) to 31 March 2021 ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2020 to 31 March 2021 as a percentage against the Audited FY2020/21 NTA ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2021 (being the commencement of the FY2021/22) to the Latest Practicable Date ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2021 to the Latest Practicable Date as a percentage against the Audited FY2020/21 NTA ⁽¹⁾
Sales to Yiguo Group							
	Fruits	approximately S\$2,099,000	approximately 27% ⁽²⁾	approximately S\$1,532,000	approximately 18% ⁽³⁾	approximately S\$17,000	approximately 0.19% ⁽³⁾
	Seafood	approximately S\$1,771,000	approximately 23% ⁽²⁾	approximately S\$325,000	approximately 4% ⁽³⁾	approximately S\$13,000	approximately 0.15% ⁽³⁾
	Others (food and beverages and other food related products)	approximately S\$34,000	approximately 0.4% ⁽²⁾	approximately S\$1,565,000	approximately 18% ⁽³⁾	–	–
	Aggregate total sales	approximately S\$3,904,000	approximately 50.4% ⁽²⁾	approximately S\$3,422,000	approximately 39.2% ⁽³⁾	–	–

LETTER TO SHAREHOLDERS

Interested Persons	Nature of IPTs	Aggregate value of all recurrent IPTs from 1 April 2019 (being the commencement of the FY2019/20) to 31 March 2020 ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2019 to 31 March 2020 as a percentage against the Audited FY2019/20 NTA ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2020 (being the commencement of the FY2020/2021) to 31 March 2021 ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2020 to 31 March 2021 as a percentage against the Audited FY2020/21 NTA ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2021 (being the commencement of the FY2021/22) to the Latest Practicable Date ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2021 to the Latest Practicable Date as a percentage against the Audited FY2020/21 NTA ⁽¹⁾
Purchases from Yiguo Group							
	Seafood	approximately S\$8,025,000	approximately 104% ⁽²⁾	S\$1,190,000	approximately 14% ⁽³⁾	–	–
	Fruits and vegetables	approximately S\$3,490,000	approximately 45% ⁽²⁾	–	–	–	–
	Meat	approximately S\$383,000	approximately 5% ⁽²⁾	approximately S\$451,000	approximately 5% ⁽³⁾	–	–
	Others (food and beverages and other food related products)	–	–	approximately S\$239,000	approximately 3% ⁽³⁾	–	–
	Aggregate total purchases	approximately S\$11,898,000	approximately 153.8% ⁽²⁾	approximately S\$1,874,000	approximately 21.5% ⁽³⁾	–	–

LETTER TO SHAREHOLDERS

Interested Persons	Nature of IPTs	Aggregate value of all recurrent IPTs from 1 April 2019 (being the commencement of the FY2019/20) to 31 March 2020 ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2019 to 31 March 2020 as a percentage against the Audited FY2019/20 NTA ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2020 (being the commencement of the FY2020/2021) to 31 March 2021 ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2020 to 31 March 2021 as a percentage against the Audited FY2020/21 NTA ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2021 (being the commencement of the FY2021/22) to the Latest Practicable Date ⁽¹⁾	Aggregate value of all recurrent IPTs from 1 April 2021 to the Latest Practicable Date as a percentage against the Audited FY2020/21 NTA ⁽¹⁾
Other services from/to Yiguo Group							
	Services received from ⁽⁴⁾	S\$255,000	approximately 3.2% ⁽²⁾	S\$129,000	approximately 1.5% ⁽³⁾	–	–
	Services provided to	S\$6,000	approximately 0.07% ⁽²⁾	S\$20,000	approximately 0.2% ⁽³⁾	–	–
	Aggregate total	S\$261,000	approximately 3.37% ⁽²⁾	S\$149,000	approximately 1.71% ⁽³⁾	–	–

(collectively, the "Relevant IPTs")

Notes:

- (1) Includes IPT transactions that are below S\$100,000 in value.
- (2) Computed based on the Audited FY2019/20 NTA of S\$7,736,000.
- (3) Computed based on the Audited FY2020/21 NTA of S\$8,722,000.
- (4) This includes the receipt of warehousing, manpower and logistic services from entities within the Yiguo Group.

LETTER TO SHAREHOLDERS

On an aggregated basis, the Relevant IPTs (a) from 1 April 2019 to 31 March 2020 is valued at S\$16,063,000 (representing approximately 208% of the Group's Audited FY2019/20 NTA), (b) from 1 April 2020 to the 31 March 2021 is valued at S\$5,445,000 (representing approximately 62% of the Group's Audited FY2020/21 NTA) and (c) from 1 April 2021 to the Latest Practicable Date is valued at S\$30,000 (representing approximately 0.3% of the Group's Audited FY2020/21 NTA), respectively.

3.2 Background of the Company's existing IPT General Mandate (29 Sep)

3.2.1 The Company's existing IPT General Mandate (29 Sep) was first approved by Shareholders at a general meeting dated 16 June 2017. The IPT General Mandate (29 Sep) was last renewed at the Company's annual general meeting held on 29 September 2020, where approval was obtained to enter into recurrent IPTs with Yiguo Group pursuant to Chapter 9 of the Listing Manual. For more details, Shareholders can refer to the IPT 2020 Addendum.

3.2.2 As set out in paragraph 2.3, Appendix A of the IPT 2020 Addendum, the nature and scope of the IPT General Mandate (29 Sep) was described as follows:

*"The IPT General Mandate will cover transactions relating to the purchase and sale of fruits, vegetables and related products between the Yiguo Group and the Group in the ordinary course of the Group's business and on a recurrent basis (collectively, the **"Interested Person Transactions"** or **"IPTs"**)."*⁽¹⁾

Note:

(1) The nature and scope of the IPT under the new Proposed Expanded IPT General Mandate is set out in Section 3.5 below.

3.2.3 The Audit and Risk Committee (and collectively, the Board) has taken the view that the Relevant IPTs (as set out in Section 3.1.7 above) are a natural business progression that a growing Company ought to have and are in-line with the Group's business (as set out in Section 3.1 above).

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For the avoidance of doubt, the Company has decided that it will expand the nature and scope of the IPT General Mandate (29 Sep) so as to align with the Group's business strategy going forward, as well as to ensure for the avoidance of doubt that the scope of future IPT general mandates will unequivocally include all agri-food and aqua-food related transactions with Yiguo Group (and including the nature and scope of the Relevant IPTs as stated in Section 3.1.7 above). For the avoidance of doubt, the scope of the Proposed Expanded IPT General Mandate will also include the purchase and sale of products which are made in connection and related with the related transactions (as described above), for example, packaging materials, meat and seafood. For more details, Shareholders can refer to Section 3.5 for the proposed nature and scope of the Proposed Expanded IPT General Mandate.

- 3.2.4 Since 1 April 2019, the Relevant IPTs includes the sale of fresh fruits by the Company to the Yiguo Group, sale and purchase of seafood and meat products and beverages. A detailed breakdown of the Relevant IPTs are set out in Section 3.1.7 above. Subject to Shareholders' approval being obtained for the Proposed Expanded IPT General Mandate, the Company may, moving forward, purchase and/or sell seafood, beverages and agri-food related products, from the Yiguo Group. The Company believes that such purchases and/or sales will increase the Company's product offerings to its customers.

3.3 Entity at risk

For the purposes of the Proposed Expanded IPT General Mandate, an "**entity at risk**" means:

- (a) the Company;
- (b) each of the companies in the Group, being the Company and its subsidiaries; or
- (c) an associated company of the Company, provided that the Group, or the Group and its interested person(s), has control over the associated company.

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3.4 Classes of interested persons

The Proposed Expanded IPT General Mandate will apply to the transactions that are proposed to be carried out between the *entities at risk* and the *Interested Persons* (as defined below).

The “**Interested Persons**” are Shanghai YIGUO E-Commerce Co., Ltd, its subsidiaries, its associated companies and its associates (as defined in the Listing Manual) (“**Yiguo Group**”) set out below:

- (i) Shanghai Yiguo E-Commerce Co., Ltd;
- (ii) Shanghai Win-Chain Supply Chain Management Co., Ltd;
- (iii) Shanghai Win-Chain Business Management Co., Ltd;
- (iv) Shanghai Win-Chain Future Food and Beverage Co., Ltd;
- (v) Shanghai Yiguo Food Technology Co., Ltd;
- (vi) Shanghai Exfresh Logistic Technology Co., Ltd;
- (vii) Nanjing Exfresh Logistic Technology Co., Ltd;
- (viii) My Kitchen Shanghai Technology Co., Ltd;
- (ix) Win-chain Agribusiness Holdings Limited;
- (x) Win-chain (Hongkong) Co., Ltd;
- (xi) Shanghai Muniu Supply Chain Co., Ltd;
- (xii) Nanjing Zhi Guo Yun Technologies Co., Ltd;
- (xiii) Shanghai YiGu International Trading Co., Limited;
- (xiv) Shanghai Exfresh Supply Chain Management Co. Ltd;

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- (xv) Shanghai Yiguo Retail Food Co., Ltd;
- (xvi) Shanghai Xian Tu Technology Co., Ltd; and
- (xvii) Shanghai Win-Chain Daily Fresh Supply Chain Management Co., Ltd.

3.5 Expanded nature and scope of interested person transactions

IPT General Mandate (29 Sep)

Shareholders would note that as provided in section 2.3 of the IPT 2020 Addendum, the IPT General Mandate (29 Sep) cover transactions **relating to the purchase of fruits, vegetables and related products** between the Yiguo Group and the Group in the ordinary course of the Group's business and on a recurrent basis.

Expanded nature and scope of IPT

As set out in Section 3.2.3 above, the Company has, *inter alia*, decided to obtain Shareholders' approval for the Proposed Expanded IPT General Mandate so that the the scope of future IPT general mandates will unequivocally **include all agri-food and aqua-food related transactions and will cover (a) transactions relating to the purchase and sale of seafood, meat, poultry, fruits, vegetables, aqua-food, pastry, beverages and desserts (both alcoholic and non-alcoholic) and agri-food related products, processed or otherwise, and their by-products including any other ancillary products bought or sold between the Yiguo Group and the Group which aids or is relevant in the purchase and sale of the aforementioned products; and (b) the provision of support services relating to, obtaining of leases or subleases of warehouse space, office space, logistics and transportation as well as any related ancillary services** between the Yiguo Group (collectively, the "Interested Person Transactions" or "IPTs"). For the avoidance of doubt, the receipt of support services in relation to the obtaining of leases or subleases of warehouse space, office space, logistics and transportation as well as any related ancillary

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services from the Yiguo Group are services required by the Group and such support services may or may not be related to the transactions relating to the purchase and sale of products under the Proposed Expanded IPT General Mandate.

The Proposed Expanded IPT General Mandate will cover only such recurrent transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, which are entered into in the ordinary course of business. For the avoidance of doubt, any purchase or sale of any assets, undertakings or businesses will not be covered under the Proposed Expanded IPT General Mandate.

The Proposed Expanded IPT General Mandate will also not cover any transaction, by any member of the Group, with the Yiguo Group, where such transaction is below S\$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such transactions. The Proposed Expanded IPT General Mandate would, however, cover IPTs with values below S\$100,000 entered into during the same financial year and which are aggregated by the SGX-ST under Chapter 9 of the Listing Manual and treated as if they were one IPT which has a value of S\$100,000 or more.

The Group had sold fruits to the Yiguo Group since October 2015. However, the value of the sales transactions was small. For the financial year ended 31 December 2015, total sales value to the Yiguo Group was approximately S\$49,000 and for the 12-month period ended 31 December 2016, total sales value to the Yiguo Group was approximately S\$522,500. In comparison, for FY2020/21, total sales value to the Yiguo Group became approximately S\$3,422,000. The Group had also purchased seafood, meat and fruits from Yiguo Group since November 2019. Total purchases from Yiguo Group was S\$11,898,000 for FY2019/20 and in comparison, for FY2020/21, total purchases value from the Yiguo Group was approximately S\$1,874,000. Going forward, the Group also intends to purchase meat, seafood, beverages and agri-food related products from the Yiguo Group. Such transactions may occur in multiple orders in a month, with each order being below S\$100,000 in value.

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In view of this, for good order, the Company will aggregate the sales orders, the purchases orders as well as any support services in each month and subject them to the review procedures under the approval matrix as set out in Section 3.7.1(b) below.

Transactions with the Yiguo Group that do not fall within the ambit of the Proposed Expanded IPT General Mandate will be subject to the requirements of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

3.6 Rationale for, and benefits for, the recurrent IPTs

- 3.6.1 The IPTs as described in Section 3.5 of this Circular (see also Relevant IPTs as set out in Section 3.1.7 above) are transactions which the Group has entered into or will enter into. They are recurring transactions which are likely to occur with some degree of frequency or arise at any time and from time to time. The Proposed Expanded IPT General Mandate and any subsequent renewal on an annual basis will eliminate the need for the Company to convene separate general meetings from time to time to seek Shareholders' approval as and when potential interested person transactions arise, thereby reducing substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.
- 3.6.2 The Proposed Expanded IPT General Mandate is intended to facilitate these transactions, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders. The Board is of the view that the Group will be able to benefit from such transactions with the Interested Persons. The Group will benefit from having access to competitive quotes from, or transacting with, the Interested Persons in respect of services and products procured. The Proposed Expanded IPT General Mandate will also allow the Group to enjoy economies of scale in the procurement of services and products as the Company would be able to procure services and products from the Yiguo Group on a larger scale without the restrictive thresholds in terms of values imposed by Chapter 9 of the Listing Manual.

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By acquiring products and services on a larger scale, it would be able to achieve better terms including better and more competitive pricing through economies of scale.

- 3.6.3 In terms of the support services in relation to the obtaining of leases or subleases of warehouse space, office space, logistics and transportation as well as any related ancillary services, by having access to such support services, the Group will derive operational leverage in dealing with customers and third parties which are necessary for the Company to leverage on Yiguo Group's expertise in shipping and logistics.

3.7 Guidelines and review procedures for the Interested Person Transactions

3.7.1 Review Procedures

To ensure that the IPTs are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company has in place the following guidelines and review procedures for the IPTs under the Proposed Expanded IPT General Mandate:

- (a) Any IPTs where, goods are sold by the Group to the Yiguo Group or when services are provided by the Group to the Yiguo Group, shall be on pricing and terms which are no more favourable to the Yiguo Group than the usual commercial terms and prevailing market rates extended to unrelated third parties. Likewise, any IPTs where, goods are sold by the Yiguo Group to the Group, or when services are provided by the Yiguo Group to the Group, shall be on pricing and terms which are no less favourable than the usual commercial terms and prevailing market rates extended by unrelated third parties to the Group.

Where possible and practicable, the relevant member of the Group carrying out the IPTs will use its reasonable endeavours to compare the pricing and terms of the IPT with at least two (2) recent contracts or agreements entered into by the Group with unrelated third parties to determine whether the pricing and terms offered to

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or by the Yiguo Group are in accordance with the Group's usual business practices and policies, and are not more favourable to the Yiguo Group than those extended to or by unrelated third parties. In the event that two (2) recent contracts or agreements are not available as a basis for comparison, the relevant member of the Group shall review and compare the pricing and terms of the IPT on publicly available websites, for example, *www.1mutian.com*. During the review and comparison, the relevant member of the Group shall also take into account factors such as, but not limited to, value of contract, quality and condition of the goods, nature and perishability of the goods, suitability of delivery schedules, duration of contracts, customer requirements, rebates or discounts accorded for bulk sales and/or other relevant specifications of the contract, where applicable.

Where the prevailing market rates are not available for comparison, the pricing and terms of the IPTs will be reviewed and determined by the Audit and Risk Committee as to whether they are consistent with the Group's usual business practices and whether they are arm's length deals on market terms that are beneficial to and in the best interests of the Group. When considering whether the IPTs shall be beneficial to the interests of the Group, factors that may be taken into account include, but are not limited to, value of the contract, quality and condition of the goods, nature and perishability of the goods, suitability of delivery schedules, duration of contracts, customer requirements, rebates or discounts accorded for bulk sales and/or other relevant specifications of the contract, strategic purposes of the transaction, where applicable.

For both purchases and sales, the relevant member of the Group should also consider the payment terms extended to and from the Yiguo Group and that the payment terms shall be no less favourable than those extended to and by the Group to its other customers or suppliers (as the case may be), in terms of mode of payment and/or credit terms (where applicable), and also factoring the total net receivables or payables position due from or to Yiguo Group to the Group, taking into consideration the past experiences with Yiguo Group in relation to the long outstanding receivables

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from Yiguo Group as well as the purchases were not fulfilled within the expected normal fulfilment dates by Yiguo Group.

- (b) Before entering into any IPTs, all such transactions will be subject to review and the pre-approval by the relevant approving authorities according to the value of the IPTs as set out in the approval matrix below. For comparison, Shareholders may refer to paragraph 3.1(b), Appendix A of the IPT 2020 Addendum in relation to the approval matrix of the IPT General Mandate (29 Sep):

Approval Threshold Limits		
	Value of aggregate monthly Interested Person Transactions	Approving Authorities <i>(each having no interest, direct or indirect, in the Interested Person Transaction)</i>
1.	Less than 3% of the Group's latest audited NTA	Any two (2) authorised Group personnel from Group A ⁽¹⁾ . Such transactions are also reviewed by the Audit and Risk Committee at least once every quarter.
2.	Less than 5% of the Group's latest audited NTA and equal to, or more than 3% of Group's latest audited NTA	Any one (1) authorised Group personnel from Group A ⁽¹⁾ , together with, any one (1) authorised Group personnel from Group B ⁽²⁾ . Such transactions are also reviewed by the Audit and Risk Committee at least once every quarter.

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Approval Threshold Limits		
3.	Equal to or more than 5% of the Group's latest audited NTA	<p>One (1) authorised Group personnel from Group B⁽²⁾, together with, one (1) authorised Group personnel from Group C⁽³⁾; OR</p> <p>Any two (2) authorised Group personnel from Group C⁽³⁾.</p> <p>Such transactions are also reviewed by the Audit and Risk Committee at least once every quarter.</p>

(each, an “**Approval Threshold**”).

Notes:

- (1) Authorised Group Personnel in Group A consists of: (i) the Chief Executive Officer; (ii) the Chief Financial Officer; (iii) the General Manager; and (iv) the Group Finance Controller and the above personnel having no interest, direct or indirect, in the Interested Person Transaction.
- (2) Authorised Group Personnel in Group B consists of any non-Executive Director of the Group and the above personnel having no interest, direct or indirect, in the Interested Person Transaction.
- (3) Authorised Group Personnel in Group C consists of any Audit and Risk Committee Member of the Group and the above personnel having no interest, direct or indirect, in the Interested Person Transaction.

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Based on the Group's past transactions with the Yiguo Group, transactions with the Yiguo Group may each be below S\$100,000 in value. In which case, pursuant to Chapter 9 of the Listing Manual, these Interested Person Transactions will not be subject to the guideline and review procedures of the Proposed Expanded IPT General Mandate.

However, as mentioned in Section 3.5 of this Circular, for good order, the Company will aggregate all sales orders received in each month from the Yiguo Group, and all purchase orders sent in each month to the Yiguo Group, including those below S\$100,000 each, and subject them to the review procedures under the approval matrix above.

If the cumulative sales order during the month exceeds the relevant Approval Threshold(s) as illustrated in the table above, subsequent sales orders during the month will be subject to the Approving Authorities of the next Approval Threshold. Sales orders for the following month will restart the aggregation process and be subject to the first Approval Threshold until the cumulative sales order reaches the next relevant Approval Threshold(s). The same will apply for purchase orders.

The Audited FY2020/21 NTA of the Group is approximately S\$8,722,000. As an illustration, the 5% threshold will be approximately S\$436,000.

In the event that the Approving Authority has an interest in the IPT under consideration for approval, he shall abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the next higher Approving Authority in accordance with the approval matrix above (each having no interest, direct or indirect, in the IPT). For the avoidance of doubt, all directors with an interest in Yiguo as per Section 4.2 of the Circular will be abstaining from reviewing and approving the transaction.

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Similarly, in the event that the Approving Authority is not available to review and approve the transaction, such transaction shall be reviewed and approved by the next higher Approving Authority in accordance with the approved matrix above (each having no interest, direct or indirect, in the IPT).

In the event that any member of the Audit and Risk Committee has an interest in the Interested Person Transaction, he shall abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the remaining members of the Audit and Risk Committee (each having no interest, direct or indirect, in the Interested Person Transaction).

The Board of Directors are of the view that the approval thresholds based on the value of the IPTs are reasonable having taken into account the values of past transactions and anticipated values of potential transactions in relation to the sales and purchases of goods with the Yiguo Group.

3.7.2 Additional Guidelines and Review Procedures

(a) **Maintain a register of IPTs**

The Group's finance department will maintain and update a register of all transactions carried out with the Yiguo Group, including those below S\$100,000 in value. The basis for entering into the IPTs will also be recorded in the register.

(b) **Review by Audit and Risk Committee**

Members of the Audit and Risk Committee will review all IPTs on a quarterly basis to ensure that the established guidelines and review procedures for the IPTs have been complied with and the relevant approvals have been obtained.

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The Audit and Risk Committee will also review, on a quarterly basis, the established guidelines and review procedures of the IPTs and determine if such guidelines and review procedures continue to be adequate and/or are commercially practicable in ensuring that the IPTs are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. If the Audit and Risk Committee is of the view that the guidelines and review procedures have become inappropriate and/or insufficient to meet such objectives, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures for the IPTs.

(c) **Review by Internal Audit Function**

The Group will incorporate a review of all IPTs in its internal audit plan. The internal audit function of the Company, consisting of the internal audit department of the Yiguo Group as well as outsourced internal audit service providers engaged by the Company, will review the IPTs to check that the relevant approvals have been obtained and the guidelines and review procedures for the mandated transactions have been adhered to. The internal audit function will forward their review reports to the Audit and Risk Committee.

(d) **Review by External Auditors**

The Group's external auditors will review the IPTs on a sampling basis as part of the Group's annual audit. The external auditors will report any non-compliance issues noted from the audit sample to the Audit and Risk Committee.

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3.8 Validity period of the Proposed Expanded IPT General Mandate

If approved by the Shareholders at the EGM, the Proposed Expanded IPT General Mandate will take effect from the passing of the ordinary resolution in respect of the Proposed Expanded IPT General Mandate, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the next annual general meeting (“**Next AGM**”), or the expiration of the period within which the Next AGM is required by law to be held, whichever is the earlier. The Company intends to seek the approval of Shareholders for the renewal of the Proposed Expanded IPT General Mandate annually. The renewal of such general mandate shall be subject to the satisfactory review by the Audit and Risk Committee of its continued application to any transactions with the Yiguo Group.

3.9 Disclosure to Shareholders

Pursuant to Rule 920(1)(a) of the Listing Manual:

- (a) disclosure will be made in the annual report of the Company, giving details of the aggregate value of the IPTs conducted pursuant to the Proposed Expanded IPT General Mandate during the financial year under review and in the annual reports for the subsequent financial years during which the Proposed Expanded IPT General Mandate is in force, as required by the provisions of the Listing Manual;
- (b) announcements will be made with regard to the aggregate value of the IPTs conducted pursuant to the Proposed Expanded IPT General Mandate for the financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report; and

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- (c) the names of the interested persons and the corresponding aggregate value of the interested person transactions will be presented in the following format (pursuant to Rule 907 of the Listing Manual):

Name of the Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Listing Manual (including transactions less than S\$100,000 for the reasons set out below)
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For clarity, as many of the interested person transactions are expected to fall below S\$100,000, the disclosures in the annual report will also include transactions each below S\$100,000.

3.10 Opinion of the IFA

RHT Capital Pte. Ltd. has been appointed by the Company as the IFA pursuant to Rule 920(1)(b)(v) of the Listing Manual as well as to advise the IPT Recommending Directors, on whether the methods and review procedures for determining the terms of the Proposed Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions pursuant to the Proposed Expanded IPT General Mandate will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter is appended as **Appendix A** to this Circular. Shareholders are advised to read the IFA Letter carefully.

Shareholders are advised to read the following extract in conjunction with, and in the context of the full text of the IFA Letter. Unless otherwise

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defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter:

4. OUR OPINION

In arriving at our recommendations in respect of the Proposed Expanded IPT General Mandate, we have taken into consideration, inter alia, the following factors summarised below and elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (i) Rationale and benefits of the adoption of the Proposed Expanded IPT General Mandate;*
- (ii) Interested persons to be covered;*
- (iii) Nature and scope of the Proposed Expanded IPT General Mandate;*
- (iv) Methods and review procedures for Interested Person Transactions with Interested Persons;*
- (v) Validity period of the Proposed Expanded IPT General Mandate; and*
- (vi) Disclosures in the annual report.*

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the methods and review procedures for determining the terms of the Proposed Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Proposed Expanded IPT General Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Expanded IPT General Mandate, and we do not warrant the merits of the Proposed Expanded IPT General Mandate.

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3.11 Audit and Risk Committee's Statement

The Audit and Risk Committee comprises four (4) Directors. They are Ms Ng Bie Tjin @Djuniarti Intan, Mr Yang Guang, Mr James Prideaux and Mr Jin Guanglei.

The Audit and Risk Committee confirms that it does not take a different view to the IFA in relation to the methods or procedures for determining transaction prices as set out under Section 3.7.1 of this Circular. Pursuant to Rule 920(1)(b)(vi) of the Listing Manual, the Audit and Risk Committee is not required to issue an opinion.

If during the periodic reviews by the Audit and Risk Committee, it is of the view that the established guidelines and procedures for the Proposed Expanded IPT General Mandate are no longer appropriate or adequate to ensure that the IPTs will be transacted on an arm's length basis and on normal commercial terms and would be prejudicial to the interests of the Company and its minority shareholders, the Company will seek a fresh mandate from the Shareholders based on new guidelines and procedures.

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4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Shareholding Structure of the Company

As at the Latest Practicable Date, the shareholding interests of the Directors and the substantial Shareholders of the Company are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Directors</u>						
James Prideaux	-	-	-	-	-	-
Gary Loh Hock Chuan ⁽²⁾	-	-	59,712,772	7.67	59,712,772	7.67
Zhang Ye	-	-	-	-	-	-
Xue Yuning	-	-	-	-	-	-
Jin Guanglei	-	-	-	-	-	-
Cen Jian	-	-	-	-	-	-
Ng Bie Tjin @ Djuniarti Intan	120,000	0.015	-	-	120,000	0.015
Yang Guang	-	-	-	-	-	-
<u>Substantial Shareholders (other than Directors)</u>						
YIGUO General Food Pte.	465,850,989	59.86	-	-	465,850,989	59.86
First Alverstone Capital Ltd ⁽²⁾	59,712,772	7.67	-	-	59,712,772	7.67
Selena Cheng Koh Min ⁽³⁾	-	-	59,712,772	7.67	59,712,772	7.67

Notes:

- (1) The percentage of issued share capital is calculated based on the current issued share capital of 778,272,573 Shares (excluding treasury shares of 6,362,798) as at the Latest Practicable Date.
- (2) Gary Loh Hock Chuan is deemed to have an interest in the 59,712,772 Shares held by First Alverstone Capital Ltd by virtue of Section 7 of the Companies Act.

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- (3) Selena Cheng Koh Min is deemed interested in 59,712,772 Shares held by her spouse, Gary Loh Hock Chuan.

4.2 Interests in Transactions

Rule 919 of the Listing Manual requires that Interested Persons and their associates must not vote on any Shareholders' resolutions approving a mandate in respect of any Interested Persons Transactions.

Mr Zhang Ye, Mr Cen Jian, Mr Xue Yuning and Mr Jin Guanglei are non-independent directors. Mr Zhang Ye is currently the Chairman and Chief Executive Officer of Yiguo, Mr Cen Jian assists Mr Zhang Ye on overseeing Yiguo's operations in respect of Yiguo's fresh supply chain management business. Mr Xue Yuning is the Chief Executive Officer of 晟世鳴義(上海)企業管理有限公司 Sheng Shi Mingyi (Shanghai) Management Co. Ltd ("**SSMY**"). As announced by the Company in its 10 February 2021 announcement, SSMY is the designated party under the interest-free loan agreement dated 27 October 2020 entered into between the Company's wholly-owned subsidiary, Shanghai SunMoon Supply Chain Management Co., Ltd (上海膳麥供應鏈管理有限公司) and the lender, Jiangzhong Shiliao (Hubei) Technology Co., Ltd. SSMY is also the investor appointed by the Chinese Court in respect of the bankruptcy reorganisation of Shanghai YIGUO E-Commerce Co., Ltd, Shanghai Winchain Supply Chain Management Co. Ltd and Shanghai Exfresh Logistic Co Ltd. Mr Jin Guanglei is the co-Chairman of Yiguo.

Accordingly, due to their respective appointments, Mr Zhang Ye, Mr Cen Jian, Mr Xue Yuning and Mr Jin Guanglei will abstain, and procure that Yiguo, YIGUO General Food Pte. Ltd. and all its other associates will abstain, from voting at the EGM in relation to the Proposed Transactions and will not accept nominations as proxy or otherwise for voting at the EGM in respect of the said Ordinary Resolution as out in Notice of EGM on pages 55 to 59 of this Circular unless the IPT Independent Shareholders appointing them as proxies give specific instructions in the relevant proxy form in the manner in which they wish their votes to be cast for Ordinary Resolution.

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5. EXTRAORDINARY GENERAL MEETING

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM will be held by way of electronic means, on 29 September 2021 at 2:15 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without modifications the Ordinary Resolutions set out therein.

Printed copies of the Notice of EGM, this Circular and the Proxy Form will not be sent to Shareholders. Instead, the Notice of EGM, this Circular and the Proxy Form may be accessed at the Company's website at the URL <https://sunmoonfood.listedcompany.com>. The Notice of EGM, this Circular and the Proxy Form are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

6. CONSENT

RHT Capital Pte. Ltd., the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter and all references thereto, in the form and context in which it appears in this Circular.

7. RECOMMENDATION BY THE IPT RECOMMENDING DIRECTORS

Having considered, among others, the terms of the recurrent IPTs and the rationale for the recurrent IPTs, and benefits of the recurrent IPTs and the opinion of the IFA (as set out in the IFA Letter, the IPT Recommending Directors are of the view that pending IPT Independent Shareholders' deliberation of the Proposed Expanded IPT General Mandate, the recurrent IPTs had been entered and will continue to be entered into, in the interests of the Company and, accordingly, recommend that the IPT Independent Shareholders vote in favour of the ordinary resolution relating to the Proposed Expanded IPT General Mandate of recurrent IPTs to be proposed at the EGM.

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8. ABSTENTION FROM VOTING

Rule 919 of the Listing Manual requires that Interested Persons and their associates must not vote on any Shareholders' resolutions approving a mandate in respect of any IPTs.

Rule 920(1)(b)(viii) of the Listing Manual states that interested persons shall abstain and undertake to ensure that their associates will abstain from voting on the resolution approving interested person transactions involving themselves and the Group. Such interested persons and their associates also shall not act as proxies in relation to such resolutions unless voting instructions have been given by the relevant Shareholder.

As at the Latest Practicable Date, YIGUO General Food Pte. Ltd. (being Yiguo's indirect wholly-owned company) who owns 465,850,989 Shares of the Company, representing approximately 59.86% of the total issued share capital (excluding treasury shares) of the Company, will abstain, and procure that all its other associates will abstain, from voting at the EGM in relation to the Proposed Expanded IPT General Mandate will not accept nominations as proxy or otherwise for voting at the EGM in respect of Ordinary Resolution as out in Notice of EGM on pages 55 to 59 of this Circular unless the IPT Independent Shareholders appointing them as proxies give specific instructions in the relevant proxy form in the manner in which they wish their votes to be cast for Ordinary Resolution.

As disclosed in Section 4.2 above, Mr Zhang Ye, Mr Cen Jian, Mr Xue Yuning and Mr Jin Guanglei are non-independent directors. Mr Zhang Ye is currently the Chairman and Chief Executive Officer of Yiguo, Mr Cen Jian assists Mr Zhang Ye on overseeing Yiguo's operations in respect of Yiguo's fresh supply chain management business., Mr Xue Yuning is the Chief Executive Officer of SSMY and Mr Jin Guanglei is the co-Chairman of Yiguo. Accordingly, due to their respective appointments, Mr Zhang Ye, Mr Cen Jian, Mr Xue Yuning and Mr Jin Guanglei will not accept nominations as proxy or otherwise for voting at the EGM in respect of the said Ordinary Resolution as out in Notice of EGM on pages 55 to 59 of this Circular unless the IPT Independent Shareholders appointing them as proxies give specific instructions in the relevant proxy form in the

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manner in which they wish their votes to be cast for Ordinary Resolution. The above said directors do not hold any Shares in the Company as at the Latest Practicable Date.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders are to note that due to the current COVID-19 restriction orders in Singapore, Shareholders will NOT be able to attend the EGM in person.

Alternative Arrangements

Alternative arrangements have been made by the Company to allow Shareholders to participate at the EGM via electronic means.

Such alternative arrangements include, arrangements by which the meeting can be electronically accessed via live audio-visual webcast or audio-only stream only, submission of questions to the Chairman of the Meeting in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the Meeting as proxy at the EGM, are set out in the accompanying Company's announcement dated 14 September 2021. This announcement may be accessed at the Company's website at <https://sunmoonfood.listedcompany.com> or SGX's website at <https://www.sgx.com/securities/company-announcements>.

Shareholders should refer to the Company's announcement dated 14 September 2021, which has been published together with this Circular and uploaded on SGXNET, for further information, including the steps to be taken by the Shareholders to participate at the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts

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about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 1 Scotts Road #21-07/08 Shaw Centre Singapore 228208 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the IFA Letter as set out in **Appendix A** to this Circular; and
- (b) the letter of consent referred to in Section 6 of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
SunMoon Food Company Limited

Mr James Prideaux
Chairman

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RHT CAPITAL PTE. LTD.
(Company Registration Number: 201109968H)
(Incorporated in the Republic of Singapore)
6 Raffles Quay, #24-02
Singapore 048580

14 September 2021

To: The IPT Recommending Directors of SunMoon Food Company Limited
(deemed to be Independent in respect of the Proposed Expanded IPT General Mandate)

Mr James Prideaux	(Non-Executive Chairman and Lead Independent Director)
Mr Gary Loh Hock Chuan	(Deputy Chairman and Non-Executive Director)
Ms Ng Bie Tjin @Djuniarti Intan	(Independent Director)
Mr Yang Guang	(Independent Director)

Dear Sirs and Mdm,

INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE PROPOSED EXPANDED IPT GENERAL MANDATE

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 14 September 2021 issued by the Company to shareholders of the Company ("Circular") shall have the same meaning herein.

1. INTRODUCTION

SunMoon Food Company Limited ("**Company**") and together with its subsidiaries and associates, ("**Group**") is a global distributor and marketer of branded fresh produce, aquatics, animal proteins and other food related products.

Since 1983, the Group has grown and expanded its product offerings, which includes fresh fruits, vegetables, meat, seafood, and french fries under its own brand. The Group's product offerings are distributed via supermarkets, convenience stores, online and wholesale channels, airlines, food services as well as its franchise outlets in Singapore.

Since 2015, the Group has shifted towards an asset-light, consumer-centric and brand-focused business strategy by tapping on its strong brand equity and the Group's "*Network x Geography x Product*" business model.

In 2017, the Company undertook a placement exercise to Shanghai Yiguo E-Commerce Co., Ltd. ("**Yiguo**") and through the placement, Yiguo held an interest in 400,940,411 Shares, or a shareholding interest of approximately 55.7% of the issued and paid up capital of the Company (excluding treasury shares). As a result, Yiguo became the controlling shareholder of the Company. As at the Latest Practicable Date, Yiguo holds an interest in 465,850,989 Shares or a shareholding interest of approximately 59.9% of the issued and paid up capital of the Company (excluding treasury shares).

Yiguo is a company incorporated in Shanghai, People's Republic in China ("**PRC**"). It is principally involved in the business of providing delivery of high quality fresh food to household and business consumers. Due to its presence in the PRC, the Company believed that there are synergies between the business of the Group as well as Yiguo and it is envisaged that in the ordinary course of business, transactions between Yiguo and the Group may likely occur from time to time.

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Under the definition set out in the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), Yiguo is an interested person (“**Interested Person**”) of the Company and pursuant to Rule 904(5) of the Listing Manual, transactions between an entity at risk and interested persons are deemed to be interested person transactions (“**Interested Person Transactions**”). Accordingly, any transactions entered into by the Group with Interested Persons would be deemed as Interested Person Transactions which would be subjected to approval by shareholders of the Company (“**Shareholders**”) should the aggregate value of such Interested Person Transactions exceed 5.0% of the Group’s audited net tangible assets for the latest audited financial year.

The Company had sought a general mandate for the Interested Person Transactions between Yiguo and the Group (“**Existing IPT Mandate**”) in 2017, which includes but is not limited to, enjoying economies of scale in procurement of services and products and to achieve better terms and more competitive pricing through economies of scale. However, given the expansion in the company’s business, the nature and scope of the Existing IPT Mandate could potentially be construed as being narrower in scope than the Interested Person Transactions currently undertaken.

In view of the above, the Company plans to seek a new general mandate from Shareholders for these recurrent Interested Person Transactions (“**Proposed Expanded IPT General Mandate**”). The Proposed Expanded IPT General Mandate, if passed, will also eliminate the need for the Company to seek shareholders’ approval to be obtained each time the foregoing transactions cross the thresholds set out in Rule 906(1) of the Listing Manual. This will substantially reduce the expenses associated with convening extraordinary general meetings (including the engagement of external professional advisers and preparation of documents), and will improve administrative efficacy considerably, allowing the Group’s manpower, resources and time to be channelled towards attaining other business objectives available to the Group.

Pursuant to Rule 920(1)(b)(v) of the Listing Manual, in relation to the Proposed Expanded IPT General Mandate, an independent financial adviser (“**IFA**”) is to be appointed to opine on whether the methods and review procedures for determining transaction prices are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, RHT Capital Pte. Ltd. (“**RHTC**”) has been appointed by the Company as the IFA pursuant to Rule 920(1)(b)(v) of the Listing Manual as well as to advise the IPT Recommending Directors (as defined below) to render the following opinions on whether the methods and review procedures for determining the terms of the Proposed Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

Mr Zhang Ye, Mr Cen Jian, Mr Xue Yuning and Mr Jin Guanglei, who are representatives of parties related to the Yiguo Group on the Board as detailed in Section 4.2 of the Circular, will abstain from deliberating and making any recommendation to the Board and Shareholders in respect of the resolution in connection with the Proposed Expanded IPT General Mandate. Yiguo, Mr Zhang Ye, Mr Cen Jian, Mr Xue Yuning and Mr Jin Guanglei will abstain and ensure that their respective associates will abstain from voting on the resolutions in connection with the Proposed Expanded IPT General Mandate.

Save for Mr Zhang Ye, Mr Cen Jian, Mr Xue Yuning and Mr Jin Guanglei, the remaining Directors, namely, Mr James Prideaux, Mr Gary Loh Hock Chuan, Ms Ng Bie Tjin @Djuniarti Intan, and Mr Yang Guang are deemed to be independent for the purpose of the Proposed Expanded IPT General Mandate (“**IPT Recommending Directors**”). This letter (“**Letter**”) is addressed to the IPT Recommending Directors and sets out, *inter alia*, our evaluation and recommendation on the Proposed Expanded IPT General Mandate. This Letter forms part of the Circular to Shareholders which provides, *inter alia*, the details of the Proposed Expanded IPT General Mandate and the recommendation of the IPT Recommending Directors thereon.

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2. TERMS OF REFERENCE

The purpose of this Letter is to provide an independent opinion, pursuant to Rule 920(1)(b)(v) of the Listing Manual, on whether the methods and review procedures for determining the terms of the Proposed Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Expanded IPT General Mandate nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Expanded IPT General Mandate. We do not, by this Letter, warrant the merits of the Proposed Expanded IPT General Mandate other than to form an opinion on whether the methods and review procedures for determining the terms of the Proposed Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on information provided and representations made by the Directors, the management of the Company and the Company's advisers. We have not independently verified such information, or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness and adequacy of such information. We have nevertheless made such enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge and belief, all facts stated and opinions expressed in the Circular which relate to the Proposed Expanded IPT General Mandate and the Company are fair and accurate and that there are no material facts or omissions of which would make any statement in the Circular misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purposes of assessing the methods and review procedures of the Proposed Expanded IPT General Mandate and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company and/or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company and/or the Group in connection with our opinion in this Letter.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment) and we have not been furnished with any such evaluation or appraisal.

Our opinions as set out in this Letter is based upon the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Proposed Expanded IPT General Mandate which may be released by the Company after the Latest Practicable Date.

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In rendering our opinions, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we advise the IPT Recommending Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter set out in the Circular). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this Letter set out in the Circular).

This Letter sets out, *inter alia*, our opinions on whether the methods and review procedures for determining the terms of the Proposed Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders and should be considered in the context of the entirety of this Letter and the Circular.

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3. THE PROPOSED EXPANDED IPT GENERAL MANDATE

As set out in Paragraph 1 above, the Company had sought and obtained Shareholders' approval for an IPT general mandate for the Interested Person Transactions between Yiguo and the Group at an extraordinary general meeting dated 16 June 2017 ("**2017 IPT General Mandate**"), which includes but is not limited to, enjoying economies of scale in procurement of services and products and to achieve better terms and more competitive pricing through economies of scale.

The Company had inadvertently omitted to renew the 2017 IPT General Mandate at the Company's 2017 AGM (held on 28 July 2017) and accordingly, the 2017 IPT General Mandate had lapsed. The Company had sought and obtained Shareholders' approvals at an extraordinary general meeting dated 11 January 2018 for the ratification and reinstatement of the 2017 IPT General Mandate. The Company had subsequently sought and obtained Shareholders' approval for the renewal of the 2017 IPT General Mandate at extraordinary general meeting dated 31 July 2018, annual general meeting dated 30 July 2019 and 29 September 2020.

However, given the expansion in the company's business, the nature and scope of the Existing IPT Mandate could potentially be construed as being narrower in scope than the Interested Person Transactions currently undertaken.

3.1 Rationale and benefits of the adoption of the Proposed Expanded IPT General Mandate

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Expanded IPT General Mandate or the future prospects of the Group after adoption of the Proposed Expanded IPT General Mandate. Nevertheless, we have reviewed the rationale for and benefits of adopting the Proposed Expanded IPT General Mandate, of which the full text of the rationale for and the benefits of adopting the Proposed Expanded IPT General Mandate can be found in Section 3.6 of the Circular, and which are reproduced in italics below:

"3.6 Rationale for, and benefits for, the recurrent IPTs

3.6.1 *The IPTs as described in Section 3.5 of this Circular (see also Relevant IPTs as set out in Section 3.1.7 above) are transactions which the Group has entered into or will enter into. They are recurring transactions which are likely to occur with some degree of frequency or arise at any time and from time to time. The Proposed Expanded IPT General Mandate and any subsequent renewal on an annual basis will eliminate the need for the Company to convene separate general meetings from time to time to seek Shareholders' approval as and when potential interested person transactions arise, thereby reducing substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.*

3.6.2 *The Proposed Expanded IPT General Mandate is intended to facilitate these transactions, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders. The Board is of the view that the Group will be able to benefit from such transactions with the Interested Persons. The Group will benefit from having access to competitive quotes from, or transacting with, the Interested Persons in respect of services and products procured. The Proposed Expanded IPT General Mandate will also allow the Group to enjoy economies of scale in the procurement of services and products as the Company would be able to procure services and products from the Yiguo Group on a larger scale without the restrictive thresholds in terms of values imposed by Chapter 9 of the Listing Manual. By acquiring products and services on a larger scale, it would be able to achieve better terms including better and more competitive pricing through economies of scale.*

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3.6.3 *In terms of the support services in relation to the obtaining of leases or subleases of warehouse space, office space, logistics and transportation as well as any related ancillary services, by having access to such support services, the Group will derive operational leverage in dealing with customers and third parties which are necessary for the Company to leverage on Yiguo Group's expertise in shipping and logistics."*

3.2 Interested persons to be covered

The Interested Persons to be covered under the Proposed Expanded IPT General Mandate are Yiguo, its subsidiaries, its associated companies and its associates (as defined in the Listing Manual) as listed below:

- (i) Shanghai Yiguo E-Commerce Co., Ltd;
- (ii) Shanghai Win-Chain Supply Chain Management Co., Ltd;
- (iii) Shanghai Win-Chain Business Management Co., Ltd;
- (iv) Shanghai Win-Chain Future Food and Beverage Co., Ltd;
- (v) Shanghai Yiguo Food Technology Co., Ltd;
- (vi) Shanghai Exfresh Logistic Technology Co., Ltd;
- (vii) Nanjing Exfresh Logistic Technology Co., Ltd;
- (viii) My Kitchen Shanghai Technology Co., Ltd;
- (ix) Win-chain Agribusiness Holdings Limited;
- (x) Win-chain (Hongkong) Co., Ltd;
- (xi) Shanghai Muniu Supply Chain Co., Ltd;
- (xii) Nanjing Zhi Guo Yun Technologies Co., Ltd;
- (xiii) Shanghai YiGu International Trading Co., Limited;
- (xiv) Shanghai Exfresh Supply Chain Management Co. Ltd;
- (xv) Shanghai Yiguo Retail Food Co., Ltd;
- (xvi) Shanghai Xian Tu Technology Co., Ltd; and
- (xvii) Shanghai Win-Chain Daily Fresh Supply Chain Management Co., Ltd.

3.3 Nature and scope of the Proposed Expanded IPT General Mandate

The Proposed Expanded IPT General Mandate will apply to the following categories of transactions with the Interested Persons:

- (a) transactions relating to the purchase and sale of seafood, meat, poultry, fruits, vegetables, aqua-food, pastry, beverages and desserts (both alcoholic and non-alcoholic) and agri-food related products, processed or otherwise, and their by-products including any other ancillary products bought or sold between the Yiguo Group and the Group which aids or is relevant in the purchase and sale of the aforementioned products; and

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- (b) the provision of support services relating to, obtaining of leases or subleases of warehouse space, office space, logistics and transportation as well as any related ancillary services.

For the avoidance of doubt, the receipt of support services in relation to the obtaining of leases or subleases of warehouse space, office space, logistics and transportation as well as any related ancillary services from the Yiguo Group are services required by the Group and such support services may or may not be related to the transactions relating to the purchase and sale of products under the Proposed Expanded IPT General Mandate.

The Proposed Expanded IPT General Mandate will cover only such recurrent transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, which are entered into in the ordinary course of business. For the avoidance of doubt, any purchase or sale of any assets, undertakings or businesses will not be covered under the Proposed Expanded IPT General Mandate.

The Proposed Expanded IPT General Mandate will also not cover any transaction, by any member of the Group, with the Yiguo Group, where such transaction is below S\$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such transactions. The Proposed Expanded IPT General Mandate would, however, cover IPTs with values below S\$100,000 entered into during the same financial year and which are aggregated by the SGX-ST under Chapter 9 of the Listing Manual and treated as if they were one IPT which has a value of S\$100,000 or more.

The Company envisages that multiple sales and purchase transactions would occur on a monthly basis between the Group and the Yiguo Group and these sales and purchase transactions would increase in both value and frequency significantly going forward. Such transactions may occur in multiple orders in a month, with each order being below S\$100,000 in value.

In view of this, for good order, the Company will aggregate the sales orders, purchase orders as well as any support services in each month and subject them to the review procedures under the approval matrix as set out in Section 3.7.1(b) of the Circular.

Transactions with the Yiguo Group that do not fall within the ambit of the Proposed Expanded IPT General Mandate will be subject to the requirements of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

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3.4 Methods and review procedures for Interested Person Transactions with Interested Persons

To ensure that all Interested Person Transactions are carried out at an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company has established the following procedures for the review and approval of any Interested Person Transactions under the Proposed Expanded IPT General Mandate.

The full text of the review procedures for all Interested Person Transactions going forward are set out in Section 3.7 of the Circular and reproduced in italics below:

“3.7 Guidelines and review procedures for the Interested Person Transactions

3.7.1 Review Procedures

To ensure that the IPTs are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company has in place the following guidelines and review procedures for the IPTs under the Proposed Expanded IPT General Mandate:

- (a) *Any IPTs where, goods are sold by the Group to the Yiguo Group or when services are provided by the Group to the Yiguo Group, shall be on pricing and terms which are no more favourable to the Yiguo Group than the usual commercial terms and prevailing market rates extended to unrelated third parties. Likewise, any IPTs where, goods are sold by the Yiguo Group to the Group, or when services are provided by the Yiguo Group to the Group, shall be on pricing and terms which are no less favourable than the usual commercial terms and prevailing market rates extended by unrelated third parties to the Group.*

Where possible and practicable, the relevant member of the Group carrying out the IPTs will use its reasonable endeavours to compare the pricing and terms of the IPT with at least two (2) recent contracts or agreements entered into by the Group with unrelated third parties to determine whether the pricing and terms offered to or by the Yiguo Group are in accordance with the Group's usual business practices and policies, and are not more favourable to the Yiguo Group than those extended to or by unrelated third parties. In the event that two (2) recent contracts or agreements are not available as a basis for comparison, the relevant member of the Group shall review and compare the pricing and terms of the IPT on publicly available websites, for example, www.1mutian.com. During the review and comparison, the relevant member of the Group shall also take into account factors such as, but not limited to, value of contract, quality and condition of the goods, nature and perishability of the goods, suitability of delivery schedules, duration of contracts, customer requirements, rebates or discounts accorded for bulk sales and/or other relevant specifications of the contract, where applicable.

Where the prevailing market rates are not available for comparison, the pricing and terms of the IPTs will be reviewed and determined by the Audit and Risk Committee as to whether they are consistent with the Group's usual business practices and whether they are arm's length deals on market terms that are beneficial to and in the best interests of the Group. When considering whether the IPTs shall be beneficial to the interests of the Group, factors that may be taken into account include, but are not limited to, value of the contract, quality and condition of the goods, nature and perishability of the goods, suitability of delivery schedules, duration of contracts, customer requirements, rebates or discounts accorded for bulk sales and/or other relevant specifications of the contract, strategic purposes of the transaction, where applicable.

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For both purchases and sales, the relevant member of the Group should also consider the payment terms extended to and from the Yiguo Group and that the payment terms shall be no less favourable than those extended to and by the Group to its other customers or suppliers (as the case may be), in terms of mode of payment and / or credit terms (where applicable), and also factoring the total net receivables or payables position due from or to Yiguo Group to the Group, taking into consideration the past experiences with Yiguo Group in relation to the long outstanding receivables from Yiguo Group as well as the purchases were not fulfilled within the expected normal fulfilment dates by Yiguo Group.

- (b) Before entering into any IPTs, all such transactions will be subject to review and the pre-approval by the relevant approving authorities according to the value of the IPTs as set out in the approval matrix below. For comparison, Shareholders may refer to paragraph 3.1(b) Appendix A of the IPT 2020 Addendum in relation to the approval matrix of the IPT General Mandate (29 Sep):

Approval Threshold Limits	
Value of aggregate monthly Interested Person Transactions	Approving Authorities (each having no interest, direct or indirect, in the Interested Person Transaction)
1. Less than 3% of the Group's latest audited NTA	Any two (2) authorised Group personnel from Group A ⁽¹⁾ . Such transactions are also reviewed by the Audit and Risk Committee at least once every quarter.
2. Less than 5% of the Group's latest audited NTA and equal to, or more than 3% of Group's latest audited NTA	Any one (1) authorised Group personnel from Group A ⁽¹⁾ , together with, any one (1) authorised Group personnel from Group B ⁽²⁾ . Such transactions are also reviewed by the Audit and Risk Committee at least once every quarter.
3. Equal to or more than 5% of the Group's latest audited NTA	One (1) authorised Group personnel from Group B ⁽²⁾ , together with, one (1) authorised Group personnel from Group C ⁽³⁾ ; OR Any two (2) authorised Group personnel from Group C ⁽³⁾ . Such transactions are also reviewed by the Audit and Risk Committee at least once every quarter.

(each, an "Approval Threshold").

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Notes:

- (1) Authorised Group Personnel in Group A consists of: (i) the Chief Executive Officer; (ii) the Chief Financial Officer; (iii) the General Manager; and (iv) the Group Finance Controller and the above personnel having no interest, direct or indirect, in the Interested Person Transaction.
- (2) Authorised Group Personnel in Group B consists of any non-Executive Director of the Group and the above personnel having no interest, direct or indirect, in the Interested Person Transaction.
- (3) Authorised Group Personnel in Group C consists of any Audit and Risk Committee Member of the Group and the above personnel having no interest, direct or indirect, in the Interested Person Transaction.

Based on the Group's past transactions with the Yiguo Group, transactions with the Yiguo Group may each be below S\$100,000 in value. In which case, pursuant to Chapter 9 of the Listing Manual, these Interested Person Transactions will not be subject to the guideline and review procedures of the Proposed Expanded IPT General Mandate.

However, as mentioned in Section 3.5 of this Circular, for good order, the Company will aggregate all sales orders received in each month from the Yiguo Group, and all purchase orders sent in each month to the Yiguo Group, including those below S\$100,000 each, and subject them to the review procedures under the approval matrix above.

If the cumulative sales order during the month exceeds the relevant Approval Threshold(s) as illustrated in the table above, subsequent sales orders during the month will be subject to the Approving Authorities of the next Approval Threshold. Sales orders for the following month will restart the aggregation process and be subject to the first Approval Threshold until the cumulative sales order reaches the next relevant Approval Threshold(s). The same will apply for purchase orders.

The Audited FY2020/21 NTA of the Group is approximately S\$8,722,000. As an illustration, the 5% threshold will be approximately S\$436,000.

In the event that the Approving Authority has an interest in the IPT under consideration for approval, he shall abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the next higher Approving Authority in accordance with the approval matrix above (each having no interest, direct or indirect, in the IPT). For the avoidance of doubt, all directors with an interest in Yiguo as per Section 4.2 of the Circular will be abstaining from reviewing and approving the transaction.

Similarly, in the event that the Approving Authority is not available to review and approve the transaction, such transaction shall be reviewed and approved by the next higher Approving Authority in accordance with the approved matrix above (each having no interest, direct or indirect, in the IPT).

In the event that any member of the Audit and Risk Committee has an interest in the Interested Person Transaction, he shall abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the remaining members of the Audit and Risk Committee (each having no interest, direct or indirect, in the Interested Person Transaction).

The Board of Directors are of the view that the approval thresholds based on the value of the IPTs are reasonable having taken into account the values of past transactions and anticipated values of potential transactions in relation to the sales and purchases of goods with the Yiguo Group.

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3.7.2 Additional Guidelines and Review Procedures

(a) **Maintain a register of IPTs**

The Group's finance department will maintain and update a register of all transactions carried out with the Yiguo Group, including those below S\$100,000 in value. The basis for entering into the IPTs will also be recorded in the register.

(b) **Review by Audit and Risk Committee**

Members of the Audit and Risk Committee will review all IPTs on a quarterly basis to ensure that the established guidelines and review procedures for the IPTs have been complied with and the relevant approvals have been obtained.

The Audit and Risk Committee will also review, on a quarterly basis, the established guidelines and review procedures of the IPTs and determine if such guidelines and review procedures continue to be adequate and/or are commercially practicable in ensuring that the IPTs are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. If the Audit and Risk Committee is of the view that the guidelines and review procedures have become inappropriate and/or insufficient to meet such objectives, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures for the IPTs.

(c) **Review by Internal Audit Function**

The Group will incorporate a review of all IPTs in its internal audit plan. The internal audit function of the Company, consisting of the internal audit department of the Yiguo Group as well as outsourced internal audit service providers engaged by the Company, will review the IPTs to check that the relevant approvals have been obtained and the guidelines and review procedures for the mandated transactions have been adhered to. The internal audit function will forward their review reports to the Audit and Risk Committee.

(d) **Review by External Auditors**

The Group's external auditors will review the IPTs on a sampling basis as part of the Group's annual audit. The external auditors will report any non-compliance issues noted from the audit sample to the Audit and Risk Committee."

3.5 **Validity period of the Proposed Expanded IPT General Mandate**

If the Proposed Expanded IPT General Mandate is approved at the Extraordinary General Meeting ("**EGM**"), it will take effect from the date of the passing of the ordinary resolution in respect of the Proposed Expanded IPT General Mandate at the EGM and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the date on which the next Annual General Meeting ("**Next AGM**") or the expiration of the period within which the Next AGM is required by law to be held, whichever is the earlier.

The Company intends to seek the approval of Shareholders for the renewal of the Proposed Expanded IPT General Mandate annually. The renewal of such general mandate shall be subject to the satisfactory review by the Audit and Risk Committee of its continued application to any transactions with the Yiguo Group.

APPENDIX A

IFA LETTER

3.6 Disclosures in the annual report

Pursuant to Rule 920(1)(a) of the Listing Manual:

- (a) disclosure will be made in the annual report of the Company, giving details of the aggregate value of the IPTs conducted pursuant to the Proposed Expanded IPT General Mandate during the financial year under review and in the annual reports for the subsequent financial years during which the Proposed Expanded IPT General Mandate is in force, as required by the provisions of the Listing Manual;
- (b) announcements will be made with regard to the aggregate value of the IPTs conducted pursuant to the Proposed Expanded IPT General Mandate for the financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report; and
- (c) the names of the interested persons and the corresponding aggregate value of the interested person transactions will be presented in the following format (pursuant to Rule 907 of the Listing Manual):

Name of the Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Listing Manual (including transactions less than S\$100,000 for the reasons set out below)

For clarity, as many of the interested person transactions are expected to fall below S\$100,000, the disclosures in the annual report will also include transactions each below S\$100,000.

APPENDIX A

IFA LETTER

4. OUR OPINION

In arriving at our recommendations in respect of the Proposed Expanded IPT General Mandate, we have taken into consideration, *inter alia*, the following factors summarised below and elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (i) Rationale and benefits of the adoption of the Proposed Expanded IPT General Mandate;
- (ii) Interested persons to be covered;
- (iii) Nature and scope of the Proposed Expanded IPT General Mandate;
- (iv) Methods and review procedures for Interested Person Transactions with Interested Persons;
- (v) Validity period of the Proposed Expanded IPT General Mandate; and
- (vi) Disclosures in the annual report.

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the methods and review procedures for determining the terms of the Proposed Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Proposed Expanded IPT General Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Expanded IPT General Mandate, and we do not warrant the merits of the Proposed Expanded IPT General Mandate.

We have prepared this Letter pursuant to Rule 920(1)(b)(v) of the Listing Manual as well as for the use of the IPT Recommending Directors in connection with and for the purposes of their consideration of the Proposed Expanded IPT General Mandate. The recommendation made by them to the Shareholders in relation to the Proposed Expanded IPT General Mandate shall remain the sole responsibility of the IPT Recommending Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the EGM at any time and in any manner without prior written consent of RHTC in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours sincerely
For and on behalf of
RHT CAPITAL PTE. LTD.

Khong Choun Mun
Chief Executive Officer

Lay Shi Wei
Associate Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

SUNMOON FOOD COMPANY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198304656K)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of the shareholders (the “**Shareholders**”) of SunMoon Food Company Limited (the “**Company**”) will be held by way of electronic means on Wednesday, 29 September 2021 at 2:15 p.m. (or immediately after the conclusion of the annual general meeting to be held at 2:00 p.m., on the same day), for the purpose of considering and, if thought fit, passing (with or without any modifications) the following resolution:-

*Unless otherwise defined, all capitalised terms used in this Notice bear the same meanings as ascribed to them in the Company’s circular to Shareholders dated 14 September 2021 (the “**Circular**”).*

ORDINARY RESOLUTION

THE PROPOSED EXPANDED IPT GENERAL MANDATE

THAT:-

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and associated companies (if any) which fall within the definition of “*entities at risk*” under Chapter 9 of the Listing Manual or any of them to enter into any transaction falling within the categories of interested person transactions set out in the Circular, with any party who is of the class or classes of interested persons described in the Circular, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders, and are entered into in accordance with the review procedures for interested person transactions as set out in the Circular (such Shareholders’ general mandate hereinafter called the “**Expanded IPT General Mandate**”);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Expanded IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;
- (c) the Audit and Risk Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual, which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors of the Company and/or any of them be and are hereby authorised, empowered to complete and do and execute all such things and acts (including executing such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to these resolutions and the Expanded IPT General Mandate.

By Order of the Board

Chia Lay Beng
Company Secretary
14 September 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT: PLEASE READ NOTES

NOTES:

1. The Extraordinary General Meeting (“EGM”) will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trust, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or audio-only stream only), submission of questions to the Chairman of the Meeting in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the Meeting as proxy at the EGM, are set out in the accompanying Company’s announcement dated 14 September 2021. This announcement may be accessed at the Company’s website at <https://sunmoonfood.listedcompany.com> or SGX’s website at <https://www.sgx.com/securities/company-announcements>.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the appointment of Chairman of the Meeting as proxy for that Resolution will be treated as invalid.

The instrument appointing the Chairman of the Meeting as proxy must be deposited at the registered office of the Company at 1 Scotts Road, #21-07/08 Shaw Centre Singapore 228208 by mail or email to main@zicoholdings.com in either case, by 2.15 p.m. on 26 September 2021 being not less than seventy-two (72) hours before the time appointed for holding the EGM. The Chairman of the Meeting, as proxy, need not be a member of the Company.

A member of the Company who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email or via the pre-registration website at the URL <https://egm2021.sunmoonfood.com/>.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
5. Investors who hold shares through Relevant Intermediaries*, including under the Central Provident Fund Investment Scheme (“**CPF Investors**”) or the Supplementary Retirement Scheme (“**SRS Investors**”), and who wish to appoint the Chairman of the Meeting as their proxy should approach their respective Relevant Intermediaries*, including CPF Agent Banks or SRS Operators, to submit their votes at least seven (7) working days before the Meeting (i.e. by 2.15 p.m. on 20 September 2021).

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to vote at the EGM of the Company and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the EGM of the Company via live audio-visual webcast or audio-only stream only, or (c) submitting any question prior to the EGM of the Company in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration and analysis by the Company (or its agents or service providers) of the instruments appointing the Chairman of the Meeting as proxy for the EGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM of the Company (including any adjournment thereof);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live audio-visual webcast or audio-only stream only to observe the proceedings of the EGM of the Company and providing them with any technical assistance where necessary;
- (iii) addressing substantial and relevant questions from members received before the EGM of the Company and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM of the Company may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM of the Company. Accordingly, the personal data of a member (such as his name, his presence at the EGM of the Company and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

PROXY FORM

SUNMOON FOOD COMPANY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198304656K)

PROXY FORM

(Please see notes overleaf before
completing this Form)

IMPORTANT

1. For investors who have used their CPF monies to buy shares in the capital of SunMoon Food Company Limited, this PROXY FORM is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name)

_____ (NRIC/Passport No./Co. Regn. No.)

of _____ (Address)

being a member/members of SUNMOON FOOD COMPANY LIMITED (the "Company") hereby appoint the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be convened and held by way of electronic means on Wednesday, 29 September 2021 at 2.15 p.m. (or immediately after the conclusion of the Annual General Meeting to be held at 2.00 p.m. on the same day) and at any adjournment thereof in the following manner:

Ordinary Resolution	No. of Votes 'For'*	No. of Votes 'Against'*	No. of Votes 'Abstain'*
Approval of the Proposed Expanded IPT General Mandate			

* Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes 'For' or 'Against' a resolution, please indicate with a (✓) in the 'For' or 'Against' box provided in respect of that resolution. Alternatively, please indicate the number of votes 'For' or 'Against' in the 'For' or 'Against' box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a (✓) in the 'Abstain' box provided in respect of that resolution. Alternatively, please indicate the number of shares the Chairman of the Meeting as your proxy is directed to abstain from voting in the 'Abstain' box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Dated this _____

Total Number of Shares Held

Signature of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

NOTES FOR PROXY FORM

Due to the fast-evolving COVID-19 situation in Singapore, the Company may be required to change its Meeting arrangements at short notice. The Company is taking the relevant steps in accordance with the Part 4 of the COVID-19 (Temporary Measures) Act 2020.

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company who is not a Relevant Intermediary* entitled to vote at the EGM (the "Meeting") must appoint the Chairman of the Meeting to act as proxy and direct the vote at the Meeting.
3. The instrument appointing the Chairman of the Meeting as proxy must be deposited at the registered office of the Company at 1 Scotts Road, #21-07/08 Shaw Centre Singapore 228208 by mail or email to main@zicoholdings.com in either case, by 2.15 p.m. on 26 September 2021 being not less than seventy-two (72) hours before the time appointed for holding the EGM.

A member of the Company who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed instruments appointment a proxy forms electronically via email or via the pre-registration website at the URL <https://egm2021.sunmoonfood.com>.

4. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it was an individual.
6. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and wishes to appoint the Chairman of the Meeting as their proxy should approach their respective CPF and/or SRS Approved Nominees to submit their votes at least seven (7) working days before the Meeting (i.e. by 2.15 p.m. on 20 September 2021).

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Shareholder and/or Depositor(s) (as defined in Section 130A of the Companies Act, Cap. 50) accept(s) and agree(s) to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 14 September 2021.

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