

NUTRYFARM INTERNATIONAL LIMITED

(Company Registration Number: 32308)

(Incorporated in Bermuda)

UPDATE ON THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 32,140,701 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.10 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES IN THE CAPITAL OF THE COMPANY HELD BY THE ENTITLED SHAREHOLDERS AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

Capitalised terms not otherwise defined herein shall have the meanings respectively ascribed to them in the Announcements (as defined hereinafter).

The board of Directors of the Company refers to the announcements dated 30 March 2017 and 29 June 2017 (the “**Announcements**” and each an “**Announcement**”) in respect of the Rights Issue, and the announcement dated 28 July 2017 in respect of the results of the 2017 AGM.

At the 2017 AGM, the Company obtained Shareholders’ approval for the 2017 AGM Share Issue Mandate, with an enhanced rights issue limit, authorising the Directors to issue up to 100% of the total number of issued Shares by way of a renounceable rights issue, on a pro rata basis to Shareholders (the “**Enhanced Rights Issue Limit**”).

ENHANCED RIGHTS ISSUE LIMIT

The Company will be utilising the Additional Limit (as defined in the notice of the 2017 AGM dated 11 July 2017) of the Enhanced Rights Issue Limit (as set out in the announcement date 29 June 2017) to issue the Rights Shares.

Practice Note 8.3 of the SGX-ST’s Listing Manual provides guidance on the provisional waiver in relation to the limit on the aggregate number of shares and convertible securities that an issuer may issue on a pro rata basis pursuant to a general mandate under Rule 806(2) of the Listing Manual.

In accordance with the requirements of Practice Note 8.3, the Company confirms that:

- (a) this announcement is made in compliance with, among others, Practice Note 8.3 of the Listing Manual;
- (b) the Company is utilising the Additional Limit of the Enhanced Rights Issue Limit to undertake the Rights Issue;
- (c) the Issue Price of S\$0.10 represents a discount of 54.5% to the last transacted price of S\$0.22 per Share on the Main Board of the SGX-ST on 30 March 2017 (being the last trading day preceding the Announcement on 30 March 2017); and
- (d) the Company has not undertaken any equity fund raising exercise since one (1) year preceding the date of the Announcement on 30 March 2017.

The board of Directors is of the view that the Rights Issue is in the interest of the Company as it would, as set out in section 5 of the Announcement on 30 March 2017, enable the Company to raise funds towards improving the Company’s working capital position, strengthen the Group’s financial position and provide the Group with more flexibility and enhance its ability to formulate, strategise and execute its business plans, which would allow the Group to pursue opportunities for business growth and expansion as and when such opportunities arise.

The Board is also of the view that the Issue Price for the Rights Shares, priced at 54.5% discount to the last transacted price of S\$0.22 per Share on the Main Board of the SGX-ST on 30 March 2017, is sufficiently attractive to Shareholders.

The Company will continue to keep its shareholders updated on any material developments in respect of the Rights Issue.

RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

BY ORDER OF THE BOARD

Paul Gao Xiangnong

Chief Executive Officer and Executive Director

7 August 2017