

NUTRYFARM INTERNATIONAL LIMITED
(Company Registration No. 32308)
Incorporated in Bermuda

ENTRY INTO CONVERTIBLE BOND AGREEMENTS

1. INTRODUCTION

1.1 The Board of Directors (the “**Board**”) of **NUTRYFARM INTERNATIONAL LIMITED** (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company proposes to issue convertible bonds with an aggregate principal amount of up to S\$25,000,000 (“**Bonds**”) to new investors. The Company has on 23 April 2022 entered into a separate convertible bond agreement (each, a “**Convertible Bond Agreement**”) with each of the persons named in paragraph 1.2 as the investors (each, an “**Investor**” and collectively, the “**Investors**”) having committed to subscribing for Bonds for a principal amount totalling S\$16,000,000. The Company is currently in discussion with other investors and expects to secure the remaining subscription by mid May 2022.

1.2 The details of the Investors are as follows:

Name of Investor	Principal amount	Background
Allied Benefit Enterprise Limited (“ Investor 1 ”)	S\$3,000,000	A company incorporated in Hong Kong, which is in business of general trading. Investor 1 has expressed keen interest to invest in the Group in view of the Group’s future plans.
Forever Strong Limited (“ Investor 2 ”)	S\$3,000,000	A company incorporated in Belize, which is in business of general trading. Investor 2 has expressed keen interest to invest in the Group in view of the Group’s future plans.
Yu Chien Pei (“ Investor 3 ”)	S\$5,000,000	A Taiwanese citizen and Singaporean Permanent Resident. She is a private investor and businessman. Investor 3 has expressed keen interest to invest in the Group in view of the Group’s future plans.
Deng, Yi Ming (“ Investor 4 ”)	S\$5,000,000	A PRC national. He is a businessman. Investor 4 has expressed keen interest to invest in the Group in view of the Group’s future plans.

The Investors were introduced by Asia Hausse Pte Ltd (“**AHPL**”) to introduce interested investors to subscribe for the Bonds, and AHPL will be entitled to a finders’ fee based on 3% of the total amount of monies subscribed by investors introduced by AHPL, payable in shares of the Company at \$0.085 per share. The fee is subject to the successful completion of the issuance of the Bonds. No placement agent was appointed in respect of the issuance of the Bonds.

1.3 The Company’s Executive Chairman, Mr Wu Yong Qiang has prior and ongoing business dealings with Investor 4. Save for the above, the Company confirms that the Company, its directors and substantial shareholders do not have any connection (including business relationships) with any of the Investors or their directors or substantial shareholders.

1.4 Each Investor has confirmed with the Company that he/it does not fall within the categories of persons set out under Rule 812(1) of the Listing Manual (as defined below).

- 1.5 Under the terms of the Convertible Bond Agreements, each Investor has represented, warranted and undertaken to the Company, *inter alia*, that he/it is not acting in concert with any other party in relation to the Bonds and/or any ordinary shares to be issued thereunder.
- 1.6 The Investors will not be holding the Bonds (or Conversion Shares, in the event that the Conversion Right is exercised) in trust or as nominees for other persons in the event that any of them exercises the Conversion Right (as defined below) pursuant to the terms of the Convertible Bond Agreements.
- 1.7 There are no share borrowing arrangements to facilitate the issuance of the Bonds.
- 1.8 The Company has no existing warrants or other convertibles.

The information set out in paragraphs 1.2 to 1.6 was provided by the Investors, which have been extracted and reproduced herein. In respect of such information, the directors have not independently verified the accuracy and correctness of the same and the directors' responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

2. THE BONDS

2.1 The Convertible Bond Agreements

Pursuant to the Convertible Bond Agreements, the Investors have agreed to subscribe for the Bonds issued by the Company. Any Bonds issued to an Investor ("**Bondholder**") in accordance with the Convertible Bond Agreements may be converted into Conversion Shares (as defined below) on the terms and subject to the conditions of the Convertible Bond Agreements.

2.2 Principal Terms

The principal terms and conditions of the Convertible Bond Agreements are as follows:-

<u>Issue Size</u>	:	Up to S\$25,000,000 in aggregate principal amount of the Bonds, to be issued to the Investors and/or other prospective investors in four (4) equal tranches for the principal amount, in the following manner:
		(a) Seven (7) business days after the Company receives the requisite approval from its shareholders from its shareholders at the extraordinary general meeting (" EGM ") to be convened to approve the transactions contemplated by the Convertible Bond Agreements (" Tranche 1 Completion Date "), the Investors and/or other prospective investors shall subscribe for Bonds for the principal amount of up to S\$6,250,000;
		(b) On the date falling 3 months after the Tranche 1 Completion Date (" Tranche 2 Completion Date "), the Investors and/or other prospective investors shall subscribe for Bonds for the principal amount of up to S\$6,250,000,
		(c) On the date falling 3 months after the Tranche 2 Completion Date (" Tranche 3 Completion Date "), the Investors and/or other prospective investors shall subscribe for Bonds for the

		<p>principal amount of up to S\$6,250,000,</p> <p>(d) On the date falling 3 months after the Tranche 3 Completion Date, the Investors and/or other prospective investors shall subscribe for Bonds for the principal amount of up to S\$6,250,000 ("Tranche 4 Completion Date").</p> <p>(each, a "Completion Date")</p>
<u>Issue Price</u>	:	100% of the principal amount of the Bonds.
<u>Interest</u>	:	The Bonds will bear simple interest at the rate of 6.75% per annum on the principal amount of each tranche of Bonds from the date of issue (" Issue Date ") of such tranche of the Bonds up to and including the date of redemption of such tranche of the Bonds.
<u>Maturity Date</u>	:	The date that is three (3) years from the Issue Date of each tranche of the Bonds (" Maturity Date ").
<u>Early Redemption at the Option of the Company</u>	:	The Company may, at any time within the period commencing the twelfth (12) month from the Issue Date up until the Maturity Date of the relevant tranche of Bonds, (i) having served at least ten (10) days' prior written notice (" Company Redemption Notice ") to the Bondholder (which notice shall specify the date of the redemption of such tranche of the Bonds, which shall fall no less than fifteen (15) days after the date of the Bondholder's receipt of the Company Redemption Notice (" Company Redemption Date ")), and (ii) having not received any conversion notice from the Bondholder within fifteen (15) days after the date of receipt of the Company Redemption Notice (" Company Redemption Conversion Period "), redeem all (and not some only) of the relevant tranche of the Bonds then outstanding at 105% of their principal amount, together with all accrued and unpaid interest that was scheduled to be paid to (but excluding) the Company Redemption Date. Partial redemption of any tranche of the Bonds shall not be allowed in the case of an early redemption before the Maturity Date of such tranche of Bonds.
<u>Redemption at the Option of the Bondholder</u>	:	<p>Without prejudice to the right of Bondholder to exercise the Conversion Right, the Bondholder shall before the Maturity Date of the relevant tranche of Bonds, having served at least ten (10) days' prior written notice ("Bondholder Redemption Notice") to the Company (which notice shall specify the date of the redemption of such tranche of the Bonds, which shall fall no less than fifteen (15) days after the date of the Company's receipt of the Bondholder Redemption Notice ("Bondholder Redemption Date")), have the option to redeem all or some only of the relevant tranche of Bonds then outstanding at 100% of their principal amount, together with all accrued and unpaid interest that was scheduled to be paid to (but excluding) the Bondholder Redemption Date, upon the occurrence of any of the following events (each a "Bondholder Redemption Event"):-</p> <p>(a) the Company fails to pay any amount due to the Bondholder under the terms and conditions of the Bonds set out in the Convertible Bond Agreements on the due date, if so payable;</p> <p>(b) the Company fails to deliver or cause to be delivered Conversion Shares as and when Conversion Shares are required to be delivered following exercise of a Conversion Right;</p>

		<p>(c) the Company or any company in the Group institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition and/or application is presented for its bankruptcy, winding-up, liquidation dissolution, administration, judicial management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise); or</p> <p>(d) if the Shares cease to be listed or admitted to trading on the SGX-ST or suspended for a period equal to or exceeding five (5) trading days.</p>
<u>Redemption upon Maturity</u>	:	Any tranche of Bonds which are not previously redeemed or cancelled by the Company shall be redeemed by the Company at 100% of their principal amount together with all accrued and unpaid interest that was scheduled to be paid by the Company on the Maturity Date. The Bonds may not be redeemed prior to the Maturity Date of the relevant tranche of Bonds other than in accordance with the terms and conditions of the convertible bonds set out in the Convertible Bond Agreements. The Company shall announce the maturity of the relevant tranche of Bonds and shall deliver to the Bondholder a notice of the maturity of the relevant tranche of Bonds no later than one (1) month before the relevant Maturity Date.
<u>Purchase</u>	:	The Company and/or any of its related corporations may at any time purchase Bonds from the Bondholder at any price. All Bonds purchased by or on behalf of the Company or any of its related corporations may be surrendered for cancellation by and, if so surrendered, shall together with all Bonds redeemed by the Company, be cancelled forthwith.
<u>Conversion Price</u>	:	S\$0.085 for each ordinary share (" Conversion Price ").
<u>Adjustments to the Conversion Price</u>	:	<p>No adjustments to the Conversion Price shall be made in respect of any issue of shares and/or convertible securities and/or warrants by the Company, and/or in the event of any rights issue, bonus issue, subdivision or consolidation of shares or other capitalisation issues by the Company, save as follows:</p> <p>(a) In the event that a share consolidation exercise of the Company ("Share Consolidation Exercise") occurs, the Conversion Price shall be adjusted as follows:-</p> $\text{New Conversion Price} = \frac{\text{Aggregate number of issued and paid-up shares immediately before such Share Consolidation Exercise}}{\text{Aggregate number of issued and fully paid-up shares immediately after such Share Consolidation Exercise}} \times X$ <p><i>X = existing Conversion Price</i></p> <p>Such adjustments will be effective from the close of stock exchange business day (i.e. any day other than a Saturday or Sunday on which the SGX-ST is open for securities trading) immediately preceding the date on which the consolidation</p>

		<p>becomes effective.</p> <p>(b) The Company may also, in consultation with the Bondholder, effect such other adjustments to the Conversion Price as may be required to comply with mandatory provisions of Singapore law and/or the requirements of the SGX-ST.</p>
<u>Voluntary Conversion</u>	:	<p>The Bondholder may convert all or part of the outstanding Bonds and any accrued and unpaid interest in respect of each Bond (if and where the Bondholder waives its right for cash payment of such amount) (which together constitute the “Conversion Monies”) into new ordinary shares (“Conversion Shares”) at the Conversion Price at any time within the period from the Issue Date of the relevant tranche of Bonds and up until the Maturity Date (“Conversion Period”) of the relevant tranche of Bonds (“Conversion Right”), Provided always that the Bondholder shall not have a Conversion Right in respect of such respective Bonds in the event that (i) the Company serves a Company Redemption Notice and the Company Redemption Conversion Period has expired, or (ii) the Bondholder has served a Bondholder Redemption Notice.</p>
<u>Status of the Convertible Bonds</u>	:	<p>The Bonds constitute unsecured, direct, subordinated and unconditional obligations of the Company which shall at all times rank <i>pari passu</i> and without any preference or priority among themselves.</p>
<u>Status of the Conversion Shares</u>	:	<p>The Bonds will be converted into ordinary shares in the capital of the Company, which have the rights set out in the Bye-laws. The new ordinary shares shall rank <i>pari passu</i> with ordinary shares in issue on the conversion date and shall carry the right to receive all dividends and other distributions declared after the conversion date.</p>
<u>Representations, Warranties and Undertakings</u>	:	<p>The Investors represent, warrant and undertake to the Company that:</p> <p>(a) they shall not seek for the rights to appoint a director to the board of directors of the Company or to seek for the removal of any board members of the Company; and</p> <p>(b) they shall not exercise their Conversion Right if the total number of shares directly or deemed to be held by them and/or their associates immediately before the exercise of the Conversion Right, together with the number of Conversion Shares to be issued and allotted upon conversion of the relevant Bonds, shall result in the Investor, its concert parties and/or its associates holding, directly or indirectly, shares representing fifteen per cent (15%) or more of the total issued share capital of the Company immediately after the issue and allotment of the Conversion Shares.</p>
<u>Governing Law</u>	:	<p>Singapore law.</p>

No application has been or is intended to be made to any listing authority, stock exchange or other market for the Bonds to be listed or otherwise traded. Listing will be sought for the underlying shares arising from the conversion of the Bonds on the SGX-ST.

Notice of the maturity of the relevant tranche of Bonds will be sent at least one (1) month before the relevant Maturity Date to the Investors.

Where required by the SGX-ST, any material amendment to the terms of Bonds after issue to the advantage of the Bondholder will need to be approved by shareholders of the Company, except where the amendments are made pursuant to the terms of the issue. There shall not be any extension of the exercise period or replacement of the Bonds and/or changing of the Conversion Price and/or ratio of the Bonds other than in compliance with the Listing Manual of the SGX-ST ("**Listing Manual**").

The Conversion Price of S\$0.085 for each Conversion Share represents a premium of approximately 2.0% to the volume weighted average price of S\$0.0833 for trades done on the ordinary shares in the capital of the Company ("**Shares**") on the SGX-ST for the full market day on 4 April 2022 prior to the Company's shares being halted and subsequently suspended.

Pursuant to the Convertible Bond Agreements, up to 294,117,647 Conversion Shares may be issued in respect of the principal amount under the Bonds.

On the assumption that the Investors and the prospective investors elect to exercise the Conversion Right to convert Bonds having the aggregate principal amount of S\$25,000,000 upon receipt of the Bonds, and there is no adjustment to the Conversion Price of S\$0.085 per Conversion Share, the number of Conversion Shares that will be issued to the Investors in aggregate (with the number of Conversion Shares issued to each Investor being rounded down to the nearest number) will be 294,117,647. Upon completion of the issuance of 294,117,647 Conversion Shares:

- (i) the issuance of the Conversion Shares (in respect of the principal amount) will increase the issued and paid up share capital of the Company from 137,422,103 Shares to 431,539,750 Shares;
- (ii) the Conversion Shares (in respect of the principal amount) will represent approximately 214.02% of the existing issued and paid-up share capital of the Company as at the date of this announcement; and
- (iii) the Conversion Shares (in respect of the principal amount and the full interest repayable) will represent approximately 68.16% of the enlarged issued and paid-up share capital of the Company after the issue of the Conversion Shares.

The issuance of the Conversion Shares to the Investors will result in a transfer of controlling interest.

The Conversion Shares when issued and fully paid will rank *pari passu* in all respects with the existing Shares of the Company.

The Bonds are being issued in reliance on the exemption provided under Section 272B of the Securities and Futures Act 2001 (the "**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

The terms of the issuance of the Bonds does not contravene any laws and regulations governing the Company and the Bye-Laws of the Company.

The Company intends to convene an EGM to seek the approval of shareholders for the

issuance of the Bonds. A circular containing information on the issuance of the Bonds, together with a notice of the EGM, will be despatched to shareholders in due course. The Company will be applying to the SGX-ST for the dealing in, listing and quotation of the Conversion Shares on the Official List of the SGX-ST and will make the necessary announcements once the approval-in-principle of the listing and quotation of the Conversion Shares have been obtained from the SGX-ST.

2.3 CONDITIONS PRECEDENT

Completion of the issuance of each tranche of the Bonds is conditional upon the fulfilment of the following conditions precedent:

- (a) approval in-principle for the listing and quotation of the Conversion Shares on the SGX-ST being obtained from the SGX-ST and, where such approval is subject to conditions, such conditions being acceptable to the Company and, to the extent that any conditions for the listing and quotation of the Conversion Shares on the SGX-ST are required to be fulfilled on or before the Completion Date, they are so fulfilled;
- (b) the approval of SGX-ST being obtained in respect of the transactions contemplated by the Convertible Bond Agreements;
- (c) the execution of a settlement agreement between the Company and Corpbond IV Limited;
- (d) each of the representations and warranties of the Investors set out in the Convertible Bond Agreements shall be true on and as of the Completion Date;
- (e) each of the covenants required to be performed or complied with by the Investors on or prior to the Completion Date has been performed and complied with;
- (f) the approval of the directors and shareholders of the Company being obtained in respect of the transactions contemplated by the Convertible Bond Agreements including but not limited to the issue and allotment of the ordinary shares in connection with the Bonds, and the same not having been withdrawn or revoked and if such consents or approvals are obtained subject to any conditions, such conditions being acceptable to the parties;
- (g) there not having been any event or discovery of any fact or circumstance which would affect, render untrue, incorrect or inaccurate or give rise to a material breach in any respect of any of the representations, warranties, agreements or undertakings on the part of the Investors contained or referred to in the Convertible Bond Agreements deemed to be repeated on each day down to the Completion Date in all respects with reference to the facts and circumstances existing on each such day; and
- (h) there having been no occurrence of any Bondholder Redemption Event at the Completion Date of each tranche.

The Company and the Investors ("**Parties**") shall use their best endeavours to fulfil the conditions precedent set out above as soon as reasonably practicable.

If any of the conditions as above is not satisfied on or before 30 September 2022 (or such other later date as the parties may agree) after the date of the Convertible Bond Agreements, the Convertible Bond Agreements shall *ipso facto* cease and determine thereafter, and no Party to a Convertible Bond Agreement will have any obligations or claims against the other Party save in the event that the conditions are not satisfied due to any wilful or negligent actions by the first-mentioned Party.

3. RATIONALE AND USE OF PROCEEDS

3.1 Proceeds from the Bond(s) issued by the Company pursuant to the Convertible Bond Agreements will be applied towards repayment of loans and / or general working capital in connection with the existing business and operations of the Group, in the following manner:

- (a) no more than 90% of such proceeds will be applied towards repayments of loans;
and
- (b) the remaining of such proceeds will be applied towards general working capital.

3.2 The estimated net proceeds from the Bond(s), after deducting estimated expenses pertaining to the issuance of the Bonds of S\$830,000 is approximately S\$24,170,000 (the “**Net Proceeds**”).

3.3 Pending the deployment of the Net Proceeds for the above-mentioned purposes, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities and/or debt instruments or used for any other purposes on a short-term basis as the Board may in their absolute discretion deem fit in the best interest of the Group, in accordance with the purpose of the Bonds, as set out above.

3.4 The Company will make periodic announcements as and when the Net Proceeds from the Bonds are materially disbursed and whether such use is in accordance with the stated use and the percentage allocation set out above. The Company will also provide a status report on the use of the Net Proceeds in the Company’s annual report.

3.5 Where the Net Proceeds are used for general working capital purposes, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied in the respective announcements and status reports. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reason(s) for such deviation.

4. FINANCIAL EFFECTS OF THE ISSUANCE AND ALLOTMENT OF THE CONVERSION SHARES

4.1 Bases and Assumptions

The financial effects of the issuance and allotment of the Conversion Shares on the share capital, loss per Share (“**LPS**”) and net tangible assets (“**NTA**”) per Share of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 September 2020 (“**FY2020**”).

For illustration purposes only, the financial effects of the issuance and allotment of the

Conversion Shares have been computed based on the following bases and assumptions:

- (a) the financial impact on the consolidated NTA per Share of the Company is computed based on the assumption that the issuance and allotment of the Conversion Shares was completed on 30 September 2020;
- (b) the financial effects on the Company's consolidated LPS is computed based on the assumption that the issuance and allotment of the Conversion Shares was completed on 1 October 2020, being the beginning of the most recently completed financial year;
- (c) exchange rate of S\$1 to HK\$5.75
- (d) the Investors elect to exercise the Conversion Right to convert the amount of Bonds having the aggregate principal amount of S\$25,000,000;
- (e) no adjustments have been made to the Conversion Price; and
- (f) save for the interest expense for the Bond(s), the expenses in connection with the Convertible Bond Agreements have been disregarded.

4.2 Share Capital

	As at 30 September 2020	
	No. of Shares	HK\$'000
Issued share capital	96,422,103	9,642
Add:-		
Number of Conversion Shares to be issued and allotted	294,117,647	143,750
Enlarged share capital after the completion of the issuance of the Conversion Shares	390,539,750	153,392

4.3 NTA per Share

	As at 30 September 2020	After Issuance of Conversion Shares
NTA attributable to Shareholders (HK\$'000)	7,355	151,105
Number of Shares	96,422,103	390,539,750
NTA per Share attributable to Shareholders (Hong Kong cents)	7.63	38.69

4.4 LPS

	As at 30 September 2020	After Issuance of Conversion Shares
Net loss attributable to Shareholders (HK\$'000)	(48,512)	(48,512)
Weighted average number of Shares	96,422,103	390,539,750
LPS (Hong Kong cents)	(50.31)	(12.42)

The *pro forma* financial effects of the issuance and allotment of the Conversion Shares are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Company and the Group following completion of the issuance and allotment of the Conversion Shares.

5. CHANGES IN SHAREHOLDING STRUCTURE

Based on the issued share capital of the Company as at the date hereof, the following table sets out the impact of the percentage shareholding of existing shareholders following completion of issuance of 294,117,647 Conversion Shares, being the maximum number of Conversion Shares that can be issued on the assumptions set out above:

	Existing shareholding interests ⁽⁶⁾		Shareholding interests after issuance of the Conversion Shares	
	No. of Shares	% of total issued Shares ⁽¹⁾	No. of Shares	% of total issued Shares ⁽²⁾
Substantial Shareholders				
Jia Li Jie	21,687,500	15.78	21,687,500	5.03
Cheng Meng	13,300,000	9.68	13,300,000	3.08
Tianci International ⁽³⁾	10,000,000	7.28	10,000,000	2.32
Wu Yong Qiang ⁽⁴⁾	6,387,975	4.65	6,387,975	1.48
Zhang Xue Mei ⁽⁵⁾	2,800,000	2.04	2,800,000	0.65
Other Shareholders	83,246,628	60.57	83,246,628	19.29
Directors				
Wu Yong Qiang	6,387,975	4.65	6,387,975	1.48
Luo Shiyao	-	-	-	-
David Lim	-	-	-	-
Eric Low	-	-	-	-
Ng Fang Yao	-	-	-	-
Terence Luk	-	-	-	-
Investors				
Investor 1	-	-	35,294,118	8.18
Investor 2	-	-	35,294,118	8.18
Investor 3	-	-	58,823,529	13.63
Investor 4	-	-	58,823,529	13.63
Other prospective investors	-	-	105,882,353	24.54 ⁽⁷⁾

Notes:

(1)

Based on the existing issued and paid-up share capital of Company of 137,422,103 Shares.

(2)

Based on the enlarged share capital of the Company of 431,539,750 Shares, after the issuance and allotment of 294,117,647 Conversion Shares.

(3)

Tianci International owned by sole shareholder, Wu Yong Qiang and he is the spouse of Zhang Xue Mei. By virtue of Section 4 of the Securities and Futures Act (Cap. 289), Tianci International deemed to be interested in the shares held under Wu Yong Qiang and (ii) the shares held under Zhang Xue Mei.

(4)

Wu Yong Qiang is the sole shareholder of Tianci International, he is the spouse of Zhang Xue Mei. By virtue of Section 4 of the Securities and Futures Act (Cap. 289), Wu Yong Qiang is deemed to be interested in the shares held under Tianci International and (ii) the shares held under Zhang Xue Mei.

(5)

Zhang Xue Mei is the spouse of Wu Yong Qiang. By virtue of Section 4 of the Securities and Futures Act (Cap. 289), Zhang Xue Mei is deemed to be interested in (i) the shares held under Tianci International and (ii) the shares held under Zhang Xue Mei.

(6)

Shareholding interests includes direct and deemed interests of the Shareholders.

(7)

Notwithstanding the percentage is above 15%, the Company expects more than one prospective investor such that each prospective investor will not exceed 15%. Further, the Investors have and accordingly, the prospective Investors would have to agree and represent that they shall not exercise their Conversion Right if the total number of shares directly or deemed to be held by them and/or their associates immediately before the exercise of the Conversion Right, together with the number of Conversion Shares to be issued and allotted upon conversion of the relevant Bonds, shall result in the Investor, its concert parties and/or its associates holding, directly or indirectly, shares representing fifteen per cent (15%) or more of the total issued share capital of the Company immediately after the issue and allotment of the Conversion Shares.

6. RULE 812 AND INTERESTED PERSONS

The Investors do not fall within the persons or groups of persons disallowed by the SGX-ST as set out under Rule 812 of the Listing Manual or are interested persons under Chapter 9 of the Listing Manual.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests in the Company and as disclosed in this announcement, none of the directors or their associates or, as far as the Company is aware, substantial shareholders or their associates, has any interest, direct or indirect, in the Convertible Bond Agreements or the issuance of Bonds thereunder.

8. DIRECTORS' 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 Convertible Bond Agreements, 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.

9. TRADING UPDATE

The Company had on 11 April 2022 applied to the SGX-ST for the trading suspension of its shares pending a review of going concern issues resulting from the Letters of Demand as announced on 5 April 2022. While the primary objective of the issuance of the Bonds is to raise funds to repay the loans under the Loan Agreement with Corpbond, there is no certainty that the issuance of the Bonds will be completed as it is subject to various conditions (as listed in Clause 2.3) including but not limited to the approval of SGX-ST and a settlement agreement with Corpbond IV Pte Ltd. In the event that the Board opines that the Company has no going concern issues, an application will be made to SGX-ST for the lifting of the Company's trading suspension. However, the lifting of the Company's trading suspension is subject to the approval of SGX-ST.

By Order of the Board

Wu Yong Qiang
Executive Chairman

30 April 2022