

CIRCULAR DATED 21 JULY 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 stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of NutryFarm International Limited (the “**Company**” and together with its subsidiaries, “**Group**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of Extraordinary General Meeting (“**EGM**”) and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares (as defined herein) represented by physical share certificate(s), you should forward this Circular with the Notice of EGM and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Circular.

This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose.



NUTRYFARM INTERNATIONAL LIMITED
(Company Registration Number: 32308)
(Incorporated in Bermuda on 26 June 2002)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DIVERSIFICATION OF BUSINESS

IMPORTANT DATES AND TIMES

Last date and time to pre-register online to observe the EGM	:	10 August 2021 at 10 a.m.
Last date and time for submission of questions	:	10 August 2021 at 10 a.m.
Last date and time for lodgement of Proxy Form	:	10 August 2021 at 10 a.m.
Date and time of EGM	:	12 August 2021 at 10 a.m.
Place of EGM	:	The EGM will be held by way of electronic means. Please refer to section 11 of this Circular for further details.

Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via “live” audio-visual webcast or listening to the EGM proceedings via “live” audio-only stream (collectively, “**electronic means**”); (b) submitting questions in advance of the EGM; and/or (c) voting by proxy at the EGM. Please refer to **section 11** of this Circular for further details.

Shareholders should note that the Company may make further changes to its EGM arrangements. Shareholders are advised to keep abreast of any such changes as may be announced by the Company on SGXNet.

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DEFINITIONS

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

“Bermuda Companies Act”	: The Companies Act 1981 of Bermuda, as amended, supplemented and/or modified from time to time
“Board”	: The board of Directors of the Company for the time being
“Business Day”	: A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
“Bye-Laws”	: The bye-laws of the Company as amended, supplemented and/or modified from time to time
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to Shareholders dated 21 July 2021 in relation to the Proposed Diversification
“Company”	: NutryFarm International Limited (Company Registration Number: 32308), a company incorporated in Bermuda
“Directors”	: The directors for the time being of the Company; and “Director” means any one of them
“EGM”	: The extraordinary general meeting of the Company to be convened on 12 August 2021 at 10 a.m. by way of electronic means, notice of which is set out on pages 23 to 24 of this Circular
“Global Agricapital”	: Global Agricapital Holdings Pte. Ltd. (UEN No.: 202041300C), a company incorporated on 22 December 2020 under the laws of Singapore
“Group”	: The Company and its subsidiaries
“Hong Kong”	: Hong Kong Special Administrative Region
“Latest Practicable Date”	: The latest practicable date prior to the despatch of this Circular, being 15 July 2021
“LottVision”	: LottVision Internet Management Limited
“New Business”	: The business of plantation, processing, wholesale and trading of fruits and fruit products, including the principal activities of Global Agricapital as set out in section 2.2.1
“NFC”	: NutryFarm (Chengdu) Biomedicine Limited
“OFC”	: One Family (Thai) Company Limited
“PRC”	: The People’s Republic of China
“Proposed Diversification”	: The diversification and expansion of the Group’s core business to include the New Business

“Proxy Form”	: The proxy form in respect of the EGM
“Registration Deadline”	: 10 a.m. on 10 August 2021
“Securities Account”	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SFA”	: Securities and Futures Act (Chapter 289) of Singapore
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Persons (not being Depositors) who are registered as members, whose names are entered in the register of members of the Company and Depositors, who have Shares entered against their names in the Depository Register, except that where CDP is the registered holder, the term “Shareholders” shall, where the context admits, mean Depositors whose Securities Accounts are credited with Shares
“Shares”	: Ordinary shares in the capital of the Company

Currencies and units

“SGD”	: Singapore dollar, representing the lawful currency of the Republic of Singapore
“USD”	: United States Dollar, representing the lawful currency of the United States of America
“%” or “per cent.”	: Means per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to “depositor”, “depository agent” and “Depository Register” respectively in Section 81SF of the SFA.

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, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Bermuda Companies Act, or the Listing Manual or the SFA or any statutory modification thereof and used in this Circular shall where applicable, have the same meaning assigned to it under the Bermuda Companies Act, or the Listing Manual or the SFA or any statutory modification thereof, as the case may be, unless otherwise provided herein.

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

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

The Company has appointed Lee & Lee as the legal advisor to the Company in respect of aspects of Singapore law in relation to the Proposed Diversification.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “**seek**”, “**expect**”, “**anticipate**”, “**estimate**”, “**believe**”, “**intend**”, “**project**”, “**plan**”, “**strategy**”, “**forecast**” and similar expressions or future or conditional verbs such as “**will**”, “**if**”, “**would**”, “**should**”, “**could**”, “**may**” and “**might**”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

LETTER TO SHAREHOLDERS

NUTRYFARM INTERNATIONAL LIMITED

(Company Registration Number: 32308)
(Incorporated in Bermuda on 26 June 2002)

Board of Directors:

Mr. Cheng Meng (Executive Director and Chief Executive Officer)
Mr. Luk Chung Po (Chairman and Non-Executive Director)
Mr. Xu Hai Min (Non-Executive Director)
Mr. Ng Poh Khoo Jimmy (Independent Director)
Mr. Neo Chee Beng (Independent Director)
Ms. Lee Pih Peng (Independent Director)

Registered Office:

Victoria Place
5th Floor, 31
Victoria Street
Hamilton HM 10
Bermuda

21 July 2021

To: The Shareholders of NutryFarm International Limited

Dear Sir/Madam

PROPOSED DIVERSIFICATION OF BUSINESS

1. INTRODUCTION

- 1.1 The Directors are convening the EGM to be held by way of electronic means on 12 August 2021 at 10 a.m. to seek Shareholders' approval in relation to the proposed diversification and expansion of the Group's core business to include the business of plantation, processing, wholesale and the trading of fruits and fruit products, including the principal activities of Global Agricapital as set out in section 2.2.1 (the "**Proposed Diversification**"), notice of which is set out on page 23 of this Circular.
- 1.2 Shareholders are advised that the SGX-ST takes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

2. THE PROPOSED DIVERSIFICATION

2.1 Existing Business

- 2.1.1 The current core business of the Group comprises the nutrition and health food products business, which includes research and development, and the manufacture and sale of its nutrition and health food products. The Group also has an existing internet management business, through LottVision, which currently supports the Group's nutrition and health food products business by, *inter alia*, maintaining the Group's website, managing the online sales of NFC through digital marketing channels such as online storefronts on Chinese websites and apps, as well as using WeChat groups to promote the Group's nutrition and health food products, through which revenue is generated for the Group.

2.2 Incorporation of Global Agricapital and Information on the New Business

- 2.2.1 On 22 December 2020, the Company announced that it has incorporated a new wholly-owned subsidiary in Singapore, namely, Global Agricapital Holdings Pte. Ltd., with an initial issued and paid-up share capital of SGD450,000 divided into 450,000 ordinary shares. The principal activities of Global Agricapital include, but are not limited to, (i) the wholesale, distribution and/or retail of fruits and vegetables (fresh, frozen, freeze-dried, canned, preserved and/or handled through any other means) as well as its related and/or derived products; and (ii) the production of fruits and vegetables as well as its related and/or derived products, including but not limited to, vegetables and/or fruit juices, juice

concentrates, purees, compotes, jams, ciders, other fruit-derived or vegetable-derived products, and other fruit-flavoured or vegetable-flavoured products.

2.2.2 Following the incorporation of Global Agricapital, the Company has made the following announcements:

- (a) the Company announced on 28 December 2020 that it has, through Global Agricapital, entered into a non-binding framework agreement with ANHUI Import and Export Co., Ltd. (安徽进出口有限公司) under the laws of the PRC in relation to, *inter alia*, the wholesale trading of fruits;
- (b) the Company announced on 8 January 2021 that it has, through Global Agricapital, entered into a binding import purchase agreement with Moonda (Beijing) Agriculture Science and Technology Co., Ltd (慕大(北京)农业科技有限公司) under the laws of the PRC in relation to, *inter alia*, the wholesale trading of fruits, and has released further announcements on 13 January 2021, 25 January 2021 and 28 January 2021 in respect of queries from the SGX on this;
- (c) the Company announced on 18 January 2021 that it has, through Global Agricapital, entered into a binding import purchase agreement with Shanghai Yuqu Trading Co., Ltd (上海昱渠贸易有限公司) under the laws of the PRC in relation to, *inter alia*, the wholesale trading of fruits, and has released a further announcement on 25 January 2021 in respect of queries from the SGX on this;
- (d) the Company announced on 29 January 2021 that it has, through Global Agricapital, entered into an agreement with Tianchue (Thailand) Co., Ltd under the laws of Thailand, and has received a quotation from Tianchue (Thailand) Co., Ltd as well as a purchase order from Moonda (Beijing) Agriculture Science and Technology Co., Ltd (慕大(北京)农业科技有限公司) in relation to, *inter alia*, the wholesale trading of fruits;
- (e) the Company announced on 29 January 2021 that it has, through Global Agricapital, entered into a binding import purchase agreement with China Railway Production Control (Chengdu) Industrial Co., Ltd (中铁产控(成都)实业有限公司) under the laws of the PRC in relation to, *inter alia*, the wholesale trading of fruits;
- (f) the Company announced on 5 February 2021 that it has, through Global Agricapital, entered into a binding purchase agreement with Thai Royal Group Co., Ltd under the laws of Thailand in relation to, *inter alia*, the wholesale trading of fruits;
- (g) the Company announced on 17 March 2021 that it has, through Global Agricapital, entered into purchase agreements with Royal Farm Group Co., Ltd and Thung Thang Thong Co., Ltd. under laws of Thailand in relation to, *inter alia*, the wholesale trading of fruits;
- (h) the Company announced on 11 May 2021 that it has, through Global Agricapital, entered into a memorandum of understanding with EBuy Pte Ltd in relation to, *inter alia*, the wholesale trading of fruits;
- (i) the Company announced on 14 May 2021 that Global Agricapital has fulfilled its obligations to Moonda (Beijing) Agriculture Science and Technology Co., Ltd (慕大(北京)农业科技有限公司) under the import purchase agreement dated 8 January 2021;
- (j) the Company announced on 10 June 2021 that it has, through Global Agricapital, entered into a joint venture agreement governed by the laws of Singapore with Kong Jun Durian Pte. Ltd. to establish a joint venture company, to be incorporated in Singapore to carry out the business of sales and distribution of pre-packed durians in Singapore;
- (k) the Company announced on 18 June 2021 that Global Agricapital has fulfilled its obligations to Shanghai Yuqu Trading Co., Ltd (上海昱渠贸易有限公司) under the import purchase agreement dated 18 January 2021, and that Global Agricapital is in discussion with Moonda

(Beijing) Agriculture Science and Technology Co., Ltd (慕大(北京)农业科技有限公司) to enter into an additional purchase agreement for 2021;

- (l) the Company announced on 21 June 2021 that it has, through Global Agricapital, incorporated two new subsidiaries, being (1) Global Agricapital (Thailand) Co., Ltd, a wholly-owned subsidiary of Global Agricapital, which was incorporated in Thailand on 17 June 2021 and (2) Kong Jun Global Pte. Ltd., a joint venture entity incorporated in Singapore on 18 June 2021, which is 51% held by Global Agricapital, and 49% held by Kong Jun Durian Pte. Ltd.;
- (m) the Company announced on 21 June 2021 that it has, through Global Agricapital (Thailand) Co., Ltd., entered into a binding import purchase agreement with Moonda (Beijing) Agriculture Science and Technology Co., Ltd (慕大(北京)农业科技有限公司) under the laws of the PRC, as well as a purchase agreement with Tianchue (Thailand) Co., Ltd under the laws of Thailand, both in relation to, *inter alia*, the wholesale trading of fruits; and
- (n) the Company announced on 24 June 2021 that it has, through Global Agricapital, secured the position as the sole distributor for Musang King (猫山王) Frozen Durian Pulp for the DKING (帝一榴) Brand in Singapore by Duricious Sdn Bhd and has placed its first order with them.

2.2.3 Subject to the approval of Shareholders to be obtained at the EGM, the Group intends to expand its existing business to include the New Business, being the business of plantation, processing, wholesale and trading of fruits and fruit products, including the principal activities of Global Agricapital as set out in section 2.2.1. Such business shall not be restricted to any specific geographical market, although each opportunity, as and when it surfaces, will be evaluated and assessed by the Board on its merit.

2.2.4 Subject to the approval of Shareholders to be obtained at the EGM, the Group intends to foray into the New Business by capitalising on the resources and network presented by, and to be developed through, Global Agricapital.

2.2.5 As at the Latest Practicable Date, save in respect of the agreements mentioned at section 2.2.2 above, the Group is exploring but has not committed to any specific business opportunity or investment under the New Business.

2.2.6 Save for their respective interests in the share capital of the Company, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the transactions contemplated in the announcements mentioned at section 2.2.2 above. None of the agreements or arrangements constitutes an interested person transaction.

2.3 **Managing the New Business**

2.3.1 It is currently envisaged that the New Business will be led by Mr. Cheng Meng, the substantial shareholder, Chief Executive Officer and Executive Director of the Group, supported by the management team and subject to the oversight of the Board.

2.3.2 Mr. Cheng Meng is an entrepreneur and the founder and used to be a 40.8% shareholder and a director of OFC incorporated in Thailand in 2016 which is principally in the business of the plantation, trading and value-added processing of durians in the PRC and other Southeast Asian countries with an annual revenue of approximately USD 200 million. Mr. Cheng Meng had divested his entire stake to an unrelated third party and resigned from his directorship in OFC on 22 December 2020, before the Company ventured into the New Business. The last known net asset value of OFC prior to the resignation of Mr. Cheng is approximately USD 750,000 (as at December 2019). OFC is principally involved in the business of purchasing durians from plantations, treatment and packaging of durians in Thailand, and the sale and distribution of durians to primarily master import traders in China. Following the divestment of his entire stake in, and resignation from his directorship at OFC, Mr. Cheng Meng is now dedicating his full resources and attention to the operations of the Company, and has not entered into or is subject to any agreement or arrangement with OFC and/or any of its shareholders whereby he holds any rights in respect of, the management or control of, in relation to, the business of OFC. However, Mr. Cheng Meng's father, Mr. Cheng Sipiao, is currently a non-executive director

of, and holds 8.2% of the shares in OFC. Neither Mr. Cheng Meng nor his associates currently hold any direct or deemed controlling interest in OFC.

2.3.3 Prior to that, Mr. Cheng Meng has served the Shandong Electric Power Construction No. 3 Engineering Company as a project manager from 2013 to 2015 to oversee the company's major construction projects in Thailand. Mr. Cheng Meng was awarded Bachelor of Automotive Engineering by Shanghai University, PRC in 2013. Mr. Cheng Meng is also currently the Executive Vice President of the Thailand-Anhui Business Council, which is created as a bilateral business-to-business forum to expand the commercial relationship between Thailand and the Anhui Province, PRC.

2.3.4 Mr. Cheng Meng's family is in the industry of fresh fruit produce in China, and as a result, Mr. Cheng Meng has been exposed to the industry from a young age. After leaving the Shandong Electric Power Construction No. 3 Engineering Company in 2015 to learn more about durian farming in Thailand, Mr. Cheng Meng founded OFC in 2016 with his partners in Thailand and has to-date, approximately 5 to 6 years of experience in the plantation, trading and processing of durians. It is the Group's intention to build these capabilities under his leadership and capitalise on his business connections. The Company's New Business will be similar to that of OFC. However, while the customers of OFC in China are mostly master import traders, the Company's strategy under the New Business is to sell directly to wholesalers and distributors in China. As such, none of the past or current customers of the Company have any past or present dealings with OFC, and the Company is not buying from, and does not intend to buy its supplies of durians from OFC. While the Company currently has arrangements with OFC (and other local food packers) for the provision of non-material services such as warehousing and packing to the Company, such arrangements are made for the interim period, as the Company has yet to develop its own infrastructure. Save for the provision of the aforementioned non-material services, the Company has not undertaken and does not expect to undertake any material transactions with OFC. The Company also does not have any intentions of purchasing any stake in OFC.

2.3.5 Notwithstanding that the Group's transactions with OFC do not constitute interested person transactions, the Company will be implementing the following measures in respect of the Group's transactions with OFC, for the purposes of good corporate governance:

- (a) a separate register in respect of the Group's transactions with OFC will be maintained by the Company's management, which shall be tabled for review by the audit committee;
- (b) the review of the Group's transactions with OFC shall be a fixed item on the agenda of all audit committee meetings moving forward; and
- (c) the audit committee will be working on a list of guidelines as to the scope of the abovementioned review, with reference to Chapter 9 of the Listing Manual of the SGX-ST. The guidelines will include various factors to be considered by the audit committee during the review process, such as whether the Group's transactions with OFC are conducted on an arm's length basis, with reference to the terms of comparable transactions with third parties.

2.3.6 As the New Business grows, the Group intends to strengthen the management and execution team of the New Business and hire more staff with suitable expertise and experience to support the growth of the New Business. Where applicable and if necessary, the Group may also outsource certain functions and/or work with third parties who may also have the relevant expertise, competencies and capabilities required. At present, the Company has hired two senior finance managers, each with more than 10 years of experience, to assist with the operations of Global Agricapital. One finance manager is based in Singapore, and the other is based in Thailand.

2.3.7 The Group has also set in place the requisite systems, procedures and control measures to conduct the above-mentioned contracts set out in section 2.2.2 above. In this regard, the above-mentioned contracts were entered into in respect of the wholesale trading of fruit, for which the main systems, procedures and control measures would be that of documentation and cash control. Other operational aspects include quality control and inspections, for which the Company is currently outsourcing to independent vendors that the CEO has previously worked with. The Group will apply for the respective licenses and permits accordingly where it is so required as it expands into other parts of the New Business such as production (if applicable). The Company has applied for and obtained the license in

relation to the Import/Transshipment of Fresh Fruit and Vegetables with the Singapore Food Agency through Global Agricapital. On 25 June 2021, the Company also obtained the necessary licences and registrations with the Singapore Food Agency through Global Agricapital to import processed food products and food appliances pursuant to its importation of processed durian packs as announced on 24 June 2021.

- 2.3.8 Pending Shareholders' approval of the Proposed Diversification and with the growth of the New Business, the Company intends to hire additional staff with suitable expertise and experience to support the growth of the New Business and strengthen the management and execution team of the New Business, as mentioned at section 2.3.6 above.
- 2.3.9 The decision of whether the New Business will be undertaken by the Group on its own, or in collaboration with third parties will be made by the Board from time to time after taking into consideration various factors such as the nature and scale of each opportunity, the nature of expertise required and economic conditions, with the objective of enhancing the long-term interests of Shareholders.
- 2.3.10 The Group recognises that the New Business has aspects that are dissimilar to its existing business. However, the Group also notes that the relevant experience and expertise required (where lacking) can be strengthened, acquired, and developed by the Group over time as it progresses in the New Business.
- 2.3.11 As at the Latest Practicable Date, save as disclosed in section 2.2.2, the Group has not entered into any other joint ventures or partnerships, or engaged any third parties in connection with the New Business.

3. RISK FACTORS

Shareholders are advised to evaluate carefully the information set out in this Circular and in particular, the risk factors set out below, before deciding on how to cast their votes in respect of the Proposed Diversification at the EGM. The business, financial condition, results of operations and prospects of the Proposed Diversification could be affected by a number of risks that may relate to the industry as well as that which may generally arise from, *inter alia*, economic, business, political and market factors, including but not limited to the risks set out below.

The risks described below are not intended to be exhaustive and are not presented in any particular order of importance. New risk factors emerge from time to time, and it is neither possible for the Board to predict all risk factors, nor can the Group assess the impact of all factors on the Proposed Diversification or the extent to which any factor, or combination of factors, may affect the Proposed Diversification. There may also be other risks associated with the entry into the Proposed Diversification which are not presently known to the Group, or that the Group may currently deem immaterial and as such have not been included in the discussion below.

If any of the following considerations and uncertainties develop into actual events, the business, results of operations, financial conditions and prospects of the Company could be materially and adversely affected.

3.1 Risks associated with the Proposed Diversification

3.1.1 Change of risk profile

While the current deals are opportunistic, the Group's risk profile may change following the Proposed Diversification as its business continues to grow and be conducted on a larger scale. The Group has undertaken the Proposed Diversification with a view of achieving long-term sustainable growth. This strategy exposes the Group to additional businesses and operational risks and uncertainties. The Group's diversification plans might also possibly require substantial financial and management resources. In the event that the Group fails to manage its diversification strategy efficiently and effectively, its business and financial performance might be negatively affected. Subject to

Shareholders' approval of the Proposed Diversification, the Group will undertake the Proposed Diversification on a progressive and gradual basis based on its manpower and financial resources, so as to minimise the risk to the business and financial performance of the Group in general.

3.1.2 The Group has no prior track record and operating history in the New Business

While Mr. Cheng Meng has extensive experience in the plantation, trading, and processing of durians, the Group does not have a proven track record in carrying out the New Business, and there is no assurance that the New Business will be commercially successful such that the Group will be able to derive sufficient revenue to offset the operating costs arising from the New Business. The New Business may have high working capital requirements and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The New Business would also involve business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the New Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group will be adopting an asset-light approach and primarily facilitating direct business-to-business deals so as to keep capital requirements and operating costs to a minimum, thereby minimising the abovementioned risk while the Group gains experience and confidence in the New Business.

3.1.3 The Group may not have the ability or sufficient expertise to execute the New Business

The Group's ability to successfully diversify into the New Business is dependent upon Mr. Cheng Meng and its ability to adapt its existing knowledge and to understand and navigate the New Business. Notwithstanding that Mr. Cheng Meng has extensive experience in the plantation, trading and processing of durians, as the Group's existing management team does not have direct experience and expertise in the New Business, there is no assurance that the Group's existing knowledge will be sufficient for the New Business, or that the Group will be able to hire employees or adequately outsource its manpower requirements to contractors with the relevant experience and knowledge. The Group may not be able to successfully implement the New Business and this may adversely affect the Group's financial performance and profitability.

3.1.4 The New Business is subject to competition risks

The success of the New Business will, to a large extent, depend on the Company's ability to establish itself in the New Business on an economically viable scale and in line with the Group's business objectives. The Company will have to compete with existing and new competitors operating in the same field. There is no assurance that the Company's plan to foray into the New Business will be commercially successful. The Company will need to increase its marketing activities to develop market awareness and relationships with potential clients and/or business partners. Such activities will increase the Group's expenses, and such expenditure without a corresponding increase in revenue may have an adverse impact on the Group's growth prospects and financial performance.

3.1.5 Shortages and/or fluctuations in the prices of raw materials

The primary raw materials involved in the New Business would be that of fresh fruits, which the Group does not currently produce internally. The market prices of these raw materials may fluctuate due to, among other reasons, changes in global supply and demand conditions and the cost of agricultural supplies.

Additionally, the quality and quantity of such raw materials is dependent on environmental factors and subject to agricultural diseases. Any adverse impact on the quality and quantity of the harvest will in turn, affect the prices of these raw materials.

Any sudden shortage of supply or increase in prices may result in the Group having to pay a higher cost for these raw materials, which may adversely affect its operations. In the event that the Group is

unable to find a comparable source of supply at similar rates or pass on increases in the costs to customers on a timely basis, the Group's financial condition, results of operations and/or prospects could be materially and adversely affected.

The Group's contracts in relation to the New Business are currently structured on a back-to-back basis, with the Group being the middle man facilitating direct business-to-business deals, thereby minimising the Group's exposure to, and allowing the Group to respond quickly to, price fluctuations.

3.1.6 The New Business may be subject to various sector specific food safety standards, laws, and regulations including potential tariffs and quota restrictions

While the Group has currently only undertaken business activities in relation to wholesale fruit trading, for which licenses and permits are not required, the New Business may include the production of fruits and vegetables as well as its related and/or derived products, including but not limited to, vegetables and/or fruit juices, juice concentrates, purees, compotes, jams, ciders, other fruit-derived or vegetable-derived products, and other fruit-flavoured or vegetable-flavoured products, in which case the Group will be subjected to numerous food and safety laws and regulations in the countries in which it operates. If the Group is unable to obtain the necessary approvals and/or permits, the Group will not be able to move forward with its plans for the New Business. Even with the necessary approvals and/or permits, the Group may only be able to bring in such quantities depending on quota restrictions and incur additional costs or tariffs which may adversely affect the Group's revenue and profitability.

If any activity or project undertaken by the Group does not comply with the applicable standards, laws and regulations, the Group may be required to pay fines or even cease operations of the affected business. Sector specific standards, laws, regulations and permit requirements may be altered or become more stringent in the future. Any changes could require the Group to incur additional costs. Any breaches of these standards, laws, regulations and/or permit requirements could have a material adverse effect on the business and financial conditions of the Group.

The Group will undertake various business activities under the New Business on a selective and gradual basis, depending on the commercial viability of potential opportunities, as well as the economic conditions at the material time. The Group may work with local partners to ensure compliance with applicable food safety standards, laws, and regulations. The Group will apply for the respective licenses and permits accordingly where it is so required as it expands into other parts of the New Business such as production (if applicable). The Company has on 24 May 2021 applied for the license in relation to the Import/Transshipment of Fresh Fruit and Vegetables with the Singapore Food Agency through Global Agricapital in anticipation of future transactions.

3.1.7 The New Business may be affected by changes in general economic, political and social conditions

The New Business will be subject to the prevailing economic, political and social conditions in the markets and/or countries in which they operate and/or have dealings in. The business, earnings, asset values, prospects and valuations of the New Business may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, taxation, expropriation, social instability and other political, economic or diplomatic developments in or affecting the countries in which the New Business operate and/or have dealings in.

As the New Business includes the wholesale trading of fruit and fruit-derived products without restrictions as to geographical markets, the Group is likely to enter into transactions involving more than one foreign currency, and may therefore be exposed to considerable risk where currency fluctuations are concerned. Notwithstanding the above, the Group is of the view that diversifying the geographical markets of the operations of the New Business can potentially mitigate the risk of currency fluctuations (as opposed to if the operations of the New Business are to be limited to one geographical market). Accordingly, the Group is exploring the possibility of carrying on the New Business beyond Thailand and China, where commercially feasible and prudent.

3.1.8 Exposure to risk of loss and potential liabilities that may not be covered by insurance

While the Group will, where appropriate, obtain insurance policies to cover the losses and/or damages in relation to its existing and future assets, the insurance obtained may not be sufficient to cover all potential losses. Examples of such losses include those arising from risk which are generally not insurable such as losses arising from acts of God, civil disorders and acts of terrorism.

In addition to meeting the uninsured losses, the Group may also have to commit additional resources to fulfil its obligations, which would adversely affect the financial performance of the Group.

Currently, the insurance requirements of the Group are limited to that of freight insurance which is obtained on a per-shipment basis. As the New Business develops, the Group will continually review its insurance requirements to ensure that sufficient coverage is in place. For example, the Group may require credit insurance depending on its customer base and the value of the contracts. However, where credit insurance is concerned, the Group is of the view that such insurance is presently not required given the back-to-back structure of its current contracts and its management of credit risks (details of which are set out under section 3.1.14 below).

3.1.9 There is no assurance that the Group will be able to identify new opportunities for the growth of the New Business

The performance and the success of the New Business is dependent on the Group's ability to identify profitable opportunities, and following such identification, to successfully negotiate and conclude the relevant agreements.

This ability may be affected by factors including, but not limited to, competition in the New Business and general economic conditions in countries where the New Business will be carried out. There is no guarantee that the Group will always be able to identify opportunities which suit its risk and returns profile.

3.1.10 The New Business may be affected by outbreaks of communicable diseases and other events beyond the Group's control

The New Business could be adversely affected by natural disasters, acts of God, terrorist attacks and the outbreaks of communicable diseases as well as other events beyond the Group's control which may lead to many uncertainties and cause disruptions to parts of its business and have an adverse effect on its business operations and financial performance.

3.1.11 The inability to maintain, promote, and grow the Group's branding in the New Business through effective marketing and communications strategies may harm the New Business

Effective marketing and communication strategies are crucial in promoting and expanding the Group's branding in the New Business. The success of the New Business branding may be dependent on the Group's ability to provide safe products and reliable information relating to the products, which the Group may not do successfully. The Group's New Business may be subjected to incomplete, inaccurate, and misleading or false information, which may be due to rumors or falsehoods or any prejudices either by competitors, disgruntled employees, suppliers or customers over social media or other means. Negative publicity about the Group's product quality and reliability could affect the Group's reputation and cause the loss of confidence in the Group and its products. This could in turn have a material and adverse effect on the Group's business and financial condition.

At this point in time, the Company is not aware of any such misinformation or any cause that will lead to such misinformation.

3.1.12 Failure to successfully manage the Group's future growth may adversely affect the Group's results of operations

The Proposed Diversification increases the complexity of the Group's operations and places a significant strain on its management, operational and financial resources, as the Group will need to be

able to identify the requirements for this new industry and its varying market trends. Where applicable, the Group may continue to effectively hire, train and manage new employees who can apprise themselves of the constantly changing market trends of the new industry. If the new hires perform poorly or if the Group is unsuccessful in hiring, training, managing and integrating new employees, the business, financial condition and results of operations may be materially harmed. Moreover, the Group's current and planned personnel, systems, procedures and controls may not be adequate to support the Group's future operations.

To effectively manage the expected growth of the Group's operations and personnel, the Group intends to improve its transaction processing, operational and financial systems, procedures and controls. These efforts will require significant managerial, financial and human resources. The Group is unable to assure that it will be able to effectively manage the growth of the Group or to successfully implement all these systems, procedures and control measures. If the Group is not able to manage its growth effectively, its business and prospects may be materially and adversely affected.

3.1.13 The New Business is vulnerable to changes in consumer preference and economic conditions

The New Business depends on consumer discretionary spending which is often affected by changes in consumer tastes, national, regional and local economic conditions and demographic trends. In addition, economic downturns including those induced by pandemics such as the COVID-19 pandemic, inflation or increased food or energy costs could harm the consumer discretionary industry in general. Adverse changes in any of these factors could reduce consumer traffic or impose practical limits on pricing that could harm the business, financial condition, results of operations and cash flow. The New Business, financial condition and results of operations depend in part on the Group's ability to anticipate, identify and respond to changing consumer preferences and economic conditions. If the Group is unable to adapt to changes in consumer preferences and trends, this may result in a loss of customers and revenues may decline.

3.1.14 The Group will be subject to credit and other risks in respect of its counterparties

The Group's financial performance will be subject to credit and other risks in respect of its counterparties under its respective contracts. Should these counterparties fail to meet their respective payment and/or delivery obligations, this may negatively affect the financial performance of the Group.

At present, the Group manages the abovementioned risk by requesting for upfront deposits as a term of its contracts, together with short credit cycles and trade facilities.

3.2 **Risk factors relating to the Company and Group**

3.2.1 The Group may be exposed to risks associated with acquisitions, joint ventures or strategic alliances

Depending on available opportunities, feasibility and market conditions, the Group may participate in joint ventures, strategic alliances, acquisitions or other investment opportunities involving numerous risks, including the possible diversion of management's time and resources from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisitions or opportunities. Furthermore, the Group may also rely on its joint venture partner(s) at the initial stage of its foray into the New Business and there is a risk that if any of its joint venture partner(s) is unable to deliver its obligations or commitments under the joint venture (such as failure to perform in accordance with the expertise expected of the joint venture partner or its ability to meet the financial obligations), it may result in additional costs to the Group. In such events, the Group's financial performance may be adversely affected.

Additionally, in connection with the Group's participation in joint ventures, the Group may make investments in entities that are not a subsidiary of the Group and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the New Business that affect the Group as described herein. There is no assurance that the Group will be able to influence the management, operation and performance of these entities through its voting rights, in a manner which would be favourable to the

Group, or at all. If all or any of these entities were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.

4. RATIONALE OF THE PROPOSED DIVERSIFICATION

4.1 The Group, through its wholly-owned subsidiaries, NutryFarm Biomedicine Holdings Ltd. and NFC, has continued to be steadfast in growing its health food business and actively explores strategic partnerships to further expand and grow the health food business. In line with its mission to develop a sound business model and to continually seek and develop opportunities in high-growth markets, the Group has been seeking potential business opportunities in or related to its existing areas of business.

The Board is supportive of the expansion of the existing nutrition and health food products business with the Proposed Diversification into the New Business for the following principal reasons:

4.1.1 Growth potential of New Business

In 2021, the Group decided to explore trading in fresh fruits, and in particular, the trading of durians from Thailand into China. Thailand exports close to 800,000 tonnes of durians per year and is the largest supplier of durians to China. The fruit production industry in Thailand is expected to develop further. Due to the COVID-19 pandemic, Chinese buyers are currently unable to travel to Thailand to negotiate direct purchases from the plantations. As such, they are seeking the assistance of local buyers to secure their durian supply. Several big Chinese corporations have approached the Group's new Chief Executive Officer, Mr. Cheng Meng, based on his experience in Thailand. Consequently, the Group, through Global Agricapital, has entered into several agreements, as set out at section 2.2.2 above. The Board believes that the Group's familiarity with, and network in, the Chinese and Thailand market allows the Group to be well positioned to capitalise on this opportunity.

China's domestic market for imported fruits has been growing rapidly over the past few years. While the current trading contracts are opportunistic, the Group believes that wholesale trading in fruit and fruit products is a sustainable business with growth potential due to the demand for imported fruits within the Chinese market, which the Group is well positioned to capitalise on due to, *inter alia*, the resources and network presented by, and to be developed through, Global Agricapital.

4.1.2 Attractive value and opportunities in the New Business in the midst of the COVID-19 pandemic

On a related note, the COVID-19 pandemic has affected many industries, with the tourism, food and beverage, and entertainment sectors appearing to be most affected. However, the pandemic has also created a window of opportunity where the value of certain businesses is being unlocked from the hands of private owners. This is particularly true in the food business and where traditional trade and logistics arrangements are being disrupted. The management of the Company has been presented with numerous opportunities for expansion either organically and/or through alliances or joint ventures. Notwithstanding that the current economic downturn is expected to continue, the management of the Company is of the view that when the situation starts to improve, consumer businesses in food and beverage will generate stable income.

4.1.3 Additional revenue stream

The Company and Group are of the view that the New Business is expected to provide additional and recurrent revenue streams for the Group which may include trading income and profit margins from the sale and distribution of fruit and fruit products. The Proposed Diversification may provide the Group with a more diversified business and income base for future growth and reduce the Group's reliance on its existing business for its revenue streams. As the Group explores other growth areas, this will facilitate the Group's quest for sustained performance in the future, and also allow the Group to be more resilient in the face of challenging conditions in the industry(ies) that it has existing businesses in. The Group will venture into the New Business prudently, with a focus on achieving long-term growth and enhancing shareholder value in the long run.

4.1.4 Enhance Shareholders' value

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and to enhance the Group's long-term prospects for profitability and growth. It is hoped that the additional income stream(s) will provide the Group with additional funds, which can be channelled towards the enhancement of shareholder value over the long term.

4.1.5 Provide flexibility to enter into transactions relating to the New Business

The Proposed Diversification will enable the Group to pursue business opportunities in the area of the New Business, in the ordinary course of the Group's business and without having to seek further approval from Shareholders, thus preventing undue delay in the decision-making process.

This will substantially reduce the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group. This is in line with the Group's mission to develop a sound business model and to continually seek and develop opportunities in other fast-growing industries as to maximise benefits to Shareholders.

5. **FUNDING FOR THE NEW BUSINESS**

- 5.1 The Proposed Diversification into the New Business will be funded primarily through internal funds. As and when necessary and deemed appropriate, the Group may explore secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.
- 5.2 The Group will remain prudent and take into account the financial condition of the Company in deciding the types of projects and related investments it undertakes, and the amounts thereof.

6. **FINANCIAL EFFECTS OF THE PROPOSED DIVERSIFICATION**

- 6.1 As at the Latest Practicable Date, apart from the execution of the agreements as disclosed in section 2.2.2 above, the Company has no affirmative and binding plans in relation to the New Business that are expected to materially impact the net profit, earnings per Share ("**EPS**") or net tangible assets ("**NTA**") per Share of the Group.
- 6.2 Notwithstanding the above, the Company expects the agreements as disclosed in section 2.2.2 to have a positive impact on the net profits of the Company, although the materiality of such impact cannot be fully determined at present due to, *inter alia*, fluctuating prices of the raw materials. The impact of some of the aforementioned agreements, where material and determinable, have been disclosed in public update announcements and the unaudited financial results for the second quarter ended 31 March 2021. The Company will make the necessary announcements at the appropriate time, in the event of any further developments in relation to the New Business that have any material impact on the Group's net profit, EPS or NTA.
- 6.3 In the event that the Company enters into the first major transaction involving the New Business, or where any of the Rule 1006 figures in respect of several transactions aggregated over the course of a financial year exceeds 20%, such first major transaction or the last of the aggregated transactions will be made conditional on Shareholders' approval where required pursuant to the Listing Manual of the SGX-ST.

7. **SERVICE CONTRACTS**

- 7.1 There are no new Directors proposed to be appointed to the Company in connection with the Proposed Diversification. Accordingly, no service contract is proposed to be entered into between the Company and any Director.

8. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

8.1 The interests of the Directors and substantial Shareholders in the Shares of the Company, as at the Latest Practicable Date, are as follows:

Name	Direct Interest			Deemed Interest			Total Interest	
	No. of Shares	of % ⁽¹⁾		No. of Shares	of % ⁽¹⁾		No. of Shares	% ⁽¹⁾
Directors								
Cheng Meng	13,300,000	11.5		-	-		13,300,000	11.5
Luk Chung Po	-	-		-	-		-	-
Xu Hai Min	-	-		-	-		-	-
Ng Poh Khoo Jimmy	-	-		-	-		-	-
Neo Chee Beng	-	-		-	-		-	-
Lee Pih Peng	-	-		-	-		-	-
Substantial Shareholders								
Jia LiJie	24,187,500	21.0		-	-		24,187,500	21.0
Cheng Meng	13,300,000	11.5		-	-		13,300,000	11.5
Tianci International Pte Ltd	10,000,000	8.7		-	-		10,000,000	8.7
Wu Yongqiang ⁽²⁾	1,511,575	1.3	12,800,000	11.1			14,311,575	12.4
Zhang Xuemei ⁽³⁾	2,800,000	2.4	11,511,575	10.0			14,311,575	12.4

Notes:

(1) Based on 115,422,103 Shares in issue as at the Latest Practicable Date and rounded to one (1) decimal place.

(2) Mr. Wu Yongqiang is the 100% shareholder of Tianci International Pte Ltd and the spouse of Ms. Zhang Xuemei.

(3) Ms. Zhang Xuemei is the spouse of Mr. Wu Yongqiang

8.2 Save as disclosed in this Circular, other than through their respective shareholdings in the Company, none of the Directors, and to the best knowledge of the Directors, none of the substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Diversification.

9. DIRECTORS' RECOMMENDATION

- 9.1 The Directors have considered and reviewed, *inter alia*, the rationale for the Proposed Diversification and all other relevant information set out in this Circular. For the reasons set out in sections 4.1.1 to 4.1.5, the Directors are collectively of the view that the Proposed Diversification is in the interests of the Company. The Directors therefore recommend that Shareholders vote in favour of the Proposed Diversification as set out in the Notice of EGM at the EGM.
- 9.2 Shareholders are advised to read this Circular in its entirety, including the rationale for the Proposed Diversification as set out in section 4 of this Circular. Shareholders who may require advice in the context of their specific investment should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser.

10. SPECIAL (EXTRAORDINARY) GENERAL MEETING

10.1 Date and Time of EGM

The EGM, notice of which is set out on pages 23 to 24 of this Circular, will be held by way of electronic means on 12 August 2021 at 10 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions relating to the Proposed Diversification, as set out in the Notice of EGM.

EGM via electronic means is made permissible under regulation 63(A) of the bye-laws of the Company.

10.2 No Physical Attendance at EGM

Due to the current COVID-19 situation, the Company will not be arranging for a physical meeting and Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (a) watching the EGM proceedings via "live" audio-visual webcast or listening to the EGM proceedings via "live" audio-only stream (collectively, "**electronic means**");
- (b) submitting questions in advance of the EGM; and
- (c) voting by appointing the Chairman as proxy at the EGM.

Please refer to section 11 below for further details on the alternative arrangements.

In addition, Shareholders should note that the Company may make further changes to the arrangements for the EGM as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNet.

10.3 No Despatch of Printed Copies of Circular

No printed copies of the Circular in respect of the EGM will be despatched to Shareholders.

A copy of this Circular, together with the Notice of EGM and the Proxy Forms have been uploaded on SGXNet and the Company's corporate website at <https://www.nutryfarm.com.sg/investor-relation#>. A Shareholder will need an Internet browser and PDF reader to view these documents.

Shareholders are advised to read this Circular carefully in order to decide whether they should vote in favour of or against the ordinary resolutions in relation to the Proposed Diversification, to be tabled at the EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

11.1 Alternative Arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM as follows:

(a) Registration to attend the EGM via electronic means

Mr. Luk Chung Po will be the Chairman of the EGM and will conduct the proceedings of the EGM by way of electronic means.

Shareholders will be able to watch these proceedings through a "live" audio-and-video webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone.

In order to do so, Shareholders must follow these steps:

- (i) Shareholders who wish to follow the proceedings through a "live" webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio feed via telephone must pre-register at the URL <https://septusasia.com/nutryfarm-egm-registration> by the Registration Deadline, 10 a.m. on 10 August 2021 (being 48 hours before the time fixed for the EGM). Following verification, an email containing instructions on how to access the "live" webcast and audio feed of the proceedings of the EGM will be sent to authenticated members by 11 August 2021.
- (ii) Shareholders who do not receive any email by 5 p.m. on 11 August 2021, but have registered by the Registration Deadline, should the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. by email at srs.teamc@boardroomlimited.com or call the general telephone number at +65 6536 5355 during office hours.

(b) Submission of questions in advance

Shareholders will not be able to ask questions "live" during the broadcast of the EGM. Shareholders who pre-register to watch the "live" audio-and-video webcast or listen to the "live" audio-only feed may submit questions related to the resolutions to be tabled for approval at the EGM in the following manner:

- (i) All questions must be submitted by 10 a.m. on 10 August 2021 via the pre-registration website at the URL <https://septusasia.com/nutryfarm-egm-registration>.
- (ii) The Company will endeavour to address all substantial and relevant questions received from Shareholders relating to the resolutions to be tabled for approval at the EGM prior to the EGM. The Company will publish the responses to those questions on SGXNet and the Company's website at the URL <https://www.nutryfarm.com.sg/investor-relation#>, and as far as possible, endeavour to do so before the closing date for the lodgement of the Proxy Form.
- (iii) The Company will, within one month after the date of the EGM, publish the minutes of the EGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to above, if such responses have not been published prior to the EGM.
- (iv) Please note that Shareholders will not be able to ask questions at the EGM "live" during the webcast and the audio feed, and therefore it is important for Shareholders to pre-register their participation in order to be able to submit their questions in advance of the EGM.

(c) Voting by proxy only

Shareholders will not be able to vote online on the resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their voting rights at the EGM, they must submit a Proxy Form to appoint the Chairman of the EGM to vote on their behalf. The Chairman of the EGM will accept appointment as proxy for any Shareholder to vote in respect of the resolutions to be proposed at the EGM where such Shareholder has given specific instructions in a validly completed and submitted Proxy Form as to voting, or abstentions from voting. Shareholders should complete and sign the Proxy Forms in accordance with the instructions printed thereon. In submitting their Proxy Form:

- (i) Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
- (ii) The Proxy Form must be submitted to the Company in the following manner:
 - (1) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (2) if submitted electronically, be submitted via email to the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamc@boardroomlimited.com,

in either case, by 10 a.m. on 10 August 2021 (being not less than 48 hours before the time appointed for the EGM).

Shareholders should note that the Company may make further changes to its EGM arrangements as the COVID-19 situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNet or on the Company's website at <https://www.nutryfarm.com.sg/investor-relation#>.

11.2 Depositor Not Member

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP to the Company at least 48 hours before the EGM.

12. DIRECTORS' RESPONSIBILITY STATEMENT

- 12.1 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 about the Proposed Diversification, 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 the 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 the Circular in its proper form and context.

13. DOCUMENTS AVAILABLE FOR INSPECTION

- 13.1 While the registered office of the Company is in Bermuda, the principal office of the Company is in Hong Kong and the office of the Company's share transfer agent is in Singapore. Taking into account that Hong Kong and Singapore are more accessible locations than Bermuda, copies of the following documents will be available for inspection at the principal office of the Company at Room 1916, 19/F,

Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong, and the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the memorandum and bye-laws of the Company; and
- (b) a copy of the agreements, quotation, and purchase orders referred at section 2.2.2, with commercially sensitive information redacted.

Yours faithfully
For and on behalf of the Board of Directors of
NUTRYFARM INTERNATIONAL LIMITED

Cheng Meng
CEO
21 July 2021



NUTRYFARM INTERNATIONAL LIMITED

(Incorporated in Bermuda)
Company Registration Number: 32308

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of NUTRYFARM INTERNATIONAL LIMITED (the “Company”) will be held by way of electronic means on Thursday, 12 August 2021 at 10 a.m. (Singapore time) for the purpose of considering, and if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTION 1 - PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE COMPANY AND ITS SUBSIDIARIES (COLLECTIVELY, THE “GROUP”) TO INCLUDE THE NEW BUSINESS

That:

- (a) approval be and is hereby given for the Group to diversify its business and expand its core business to include fruit trading, including the principal activities of Global Agricapital Holdings Pte. Ltd. being that of (i) the wholesale, distribution and/or retail of fruits and vegetables (fresh, frozen, freeze-dried, canned, preserved and/or handled through any other means) as well as its related and/or derived products; and (ii) the production of fruits and vegetables as well as its related and/or derived products, including but not limited to, vegetables and/or fruit juices, juice concentrates, purees, compotes, jams, ciders, other fruit-derived or vegetable-derived products, and other fruit-flavoured or vegetable-flavoured products (the “New Business”) (the “Proposed Diversification”);
- (b) approval be and is hereby given to the Company and the Group to invest in, purchase or otherwise acquire or dispose of, from time to time, any such assets, investments and shares/interests in any entity that is in the New Business on such investment, purchase, acquisition or disposal on such terms and conditions as the Directors deem fit, and approval be and is hereby given to such Directors to take such steps and exercise such discretion and do all acts or things as they deem desirable, necessary or expedient or to give effect to any such investment, purchase, acquisition or disposal; and
- (c) approval be and is hereby given to the Directors and any one of them to enter into all such transactions, arrangements and agreements and approve, execute and deliver all documents and do all such acts and things as they or any one of them deem desirable, necessary or expedient to give effect to the approvals given in this Ordinary Resolution or the transactions contemplated by the Proposed Diversification as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

By Order of the Board

Cheng Meng
CEO

21 July 2021

Important notes:

1. **Pre-Registration:** The EGM is being convened, and will be held, by way of electronic means. Alternative arrangements relating to, among others, attendance, submission of questions in advance and or/voting by proxy at the EGM are set out in this notice of EGM. This notice of EGM may be accessed at the URL <https://www.sgx.com/securities/company-announcements>.

Members will not be able to attend the EGM physically. Members who wish to participate at the EGM may watch the EGM proceedings via a live audio-visual webcast or live audio-only stream (“Live Webcast”). To do so, members must pre-register their details including full name (as per CDP/Script-based records), identification number (e.g. NRIC/ Passport Number/FIN), shareholding type(s) (e.g. CDP/Script-based), email address and contact number (to enable the Company and/or its agents and service providers to authenticate their status as member) on the Company’s EGM pre-registration website at the URL <https://septusasia.com/nutryfarm-egm-registration> before 10 a.m. on Tuesday, 10 August 2021 (“Registration Deadline”) for the Company to verify their status as members.

Verified members will receive an email by 5 p.m. on Wednesday, 11 August 2021 containing instructions to access the Live Webcast. Members must not forward the link or their log-in details to third persons who are not members or who are not entitled to attend the EGM proceedings.

Members who do not receive an email by 5 p.m. on Wednesday, 11 August 2021 but have registered before the Registration Deadline should contact the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. by email at srs.teamc@boardroomlimited.com or call the general telephone number at +65 6536 5355 during office hours.

2. **Submission of Questions:** The Company will not be addressing any questions raised by the members during the EGM. Members who have any substantial and relevant questions in relation to any agenda item of this notice must submit their questions in writing to the Company in advance in the following manner:

- a) If submitted by post, be lodged at the office of Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623; or
- b) If submitted electronically, be submitted via the Company's EGM pre-registration website at the URL <https://septusasia.com/nutryfarm-egm-registration>,

in either case, by the Registration Deadline, 10 August 2021, 10 a.m..

The Company will endeavour to upload the Company's responses to substantial and relevant questions from members on the SGXNet website before the closing date for the lodgement of the Proxy Form.

3. **Submission of Proxy Form:** Relevant Proxy Form(s) must be submitted to the Company in the following manner:

- a) If submitted by post, be lodged at the office of Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623; or
- b) If submitted electronically, be submitted via email to the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamc@boardroomlimited.com,

in either case, by the Registration Deadline, 10 August 2021, 10 a.m..

4. A Depositor who is not an individual can only be represented at the EGM if its nominee(s) is/are appointed as CDP's proxy(ies). To appoint its nominee(s) as proxy(ies) of CDP and to enable its nominee(s) to attend and vote at the EGM, such Depositor should complete, execute and deposit the Depositor Proxy Form in accordance with the instructions set out in paragraph 3 above and the applicable proxy form.

5. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its corporate representative at the EGM.

6. To be valid, the Shareholder Proxy Form or the Depositor Proxy Form, together with the power of attorney or other authority, if any, under which it is signed, or a notarised copy of such power or authority, must be posted to the office of Singapore Share Transfer Agent, Boardroom Corporate & Advisory Service Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623 or submitted electronically via email to the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamc@boardroomlimited.com by the Registration Deadline or not less than forty-eight (48) hours before any adjournment thereof. Detailed instructions can be found on the Shareholder Proxy Form and Depositor Proxy Form.

7. **Personal Data Privacy:** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder of the Company (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.