

NUTRYFARM INTERNATIONAL LIMITED
 (Company Registration Number: 32308)
 (Incorporated in Bermuda)
 (the "Company")

PROPOSED PLACEMENT OF 22,000,000 NEW ORDINARY SHARES ("PROPOSED PLACEMENT")

A. TERMS OF PLACEMENT

The Board of Directors of NutryFarm International Limited (the "**Company**") wishes to announce that the Company has entered into placement agreements dated 4 June 2021 ("**Placement Agreements**") with the following persons (collectively, the "**Placees**"), whereby the Placees have agreed to subscribe for the following respective amounts of new ordinary shares in the capital of the Company ("**Placement Shares**") (totaling 22,000,000 new Placement Shares) at the issue price of S\$0.29 per Placement Share, subject to and upon the terms of the respective Placement Agreements:-

Name of Placee	Number of Shares	Details on how the Placee was Identified	Background and rationale for the Placee's subscription of the Placement Shares	Any connection (including business dealings) with the issuer, its substantial shareholders or its directors
TAN KIM TJIO	3,000,000	Mr. Tan was introduced to the Company by 8PR Asia Pte Ltd, the Company's investor relations company.	Mr. Tan is a retired businessman. Prior to that, he was the owner of a plastic packaging company. Mr. Tan has invested in the Company for investment purposes.	Mr. Tan has no connection with the issuer, its substantial shareholders or its directors as at date of the respective Placement Agreement.
LIM BEE LI	4,000,000	Ms. Lim was introduced to the Company by 8PR Asia Pte Ltd, the Company's investor relations company.	Ms. Lim is a practicing Singapore lawyer. Ms. Lim has invested in the Company for investment purposes.	Ms. Lim has no connection with the issuer, its substantial shareholders or its directors as at date of the respective Placement Agreement.
NEO KOK CHING	3,500,000	Mr. Neo was introduced to the Company by 8PR Asia Pte Ltd, the Company's investor relations company.	Mr. Neo is a retired businessman. Prior to that, he was the Chairman of a logistics business listed in the Singapore Exchange. Mr. Neo has invested in the Company for investment purposes.	Mr. Neo has no connection with the issuer, its substantial shareholders or its directors as at date of the respective Placement Agreement.
TENG MENG LIEW	500,000	Ms. Teng was introduced to the Company by 8PR Asia Pte Ltd, the Company's investor relations company.	Ms. Teng is a senior control engineer. She has invested in the Company for investment purposes.	Ms. Teng has no connection with the issuer, its substantial shareholders or its directors as at date of the respective Placement Agreement.
XIANG TAO	1,000,000	Mr. Xiang was introduced to the Company by 8PR Asia Pte Ltd, the Company's investor relations company.	Mr. Xiang is a senior control engineer in a MNC based in Singapore. Mr. Xiang has invested in the Company for investment purposes.	Mr. Xiang has no connection with the issuer, its substantial shareholders or its directors as at date of the respective Placement Agreement.
DAVID WU DEWEI	1,500,000	Mr. Wu was introduced to the Company by 8PR Asia Pte Ltd, the Company's investor relations company.	Mr. Wu is a director for Singapore-based courier services company. Mr. Wu has invested in the Company for investment purposes.	Mr. Wu has no connection with the issuer, its substantial shareholders or its directors as at date of the respective Placement Agreement.
YAO XIUYIN	1,000,000	Ms Yao was introduced to	Ms. Yao is a F&B business	Ms. Yao has no connection

		the Company by 8PR Asia Pte Ltd, the Company's investor relations company.	owner. Ms. Yao has invested in the Company for investment purposes.	with the issuer, its substantial shareholders or its directors as at date of the respective Placement Agreement.
ANG POH GUAN	500,000	Mr. Ang was introduced to the Company by 8PR Asia Pte Ltd, the Company's investor relations company.	Mr. Ang is the CEO of a Singapore based construction company. Mr. Neo has invested in the Company for investment purposes.	Mr. Ang has no connection with the issuer, its substantial shareholders or its directors as at date of the respective Placement Agreement.
WU JIANSHENG	3,000,000	Mr. Wu was introduced to the Company by 8PR Asia Pte Ltd, the Company's investor relations company.	Mr. Wu is a director in a F&B business. Mr. Wu has invested in the Company for investment purposes.	Mr. Wu has no connection with the issuer, its substantial shareholders or its directors as at date of the respective Placement Agreement.
GAO HUAZHU	2,000,000	Ms Gao was introduced to the Company by 8PR Asia Pte Ltd, the Company's investor relations company.	Ms. Gao is currently a manager in manufacturing company in Singapore. Ms. Gao has invested in the Company for investment purposes.	Ms. Gao has no connection with the issuer, its substantial shareholders or its directors as at date of the respective Placement Agreement.
ZHANG MIN	2,000,000	Mr. Zhang was introduced to the Company by 8PR Asia Pte Ltd, the Company's investor relations company.	Mr. Zhang is a director in a hypermart business in Singapore. Mr. Zhang has invested in the Company for investment purposes.	Mr. Zhang has no connection with the issuer, its substantial shareholders or its directors as at date of the respective Placement Agreement.

8PR Asia Pte Ltd was not appointed as a placement agent in respect of the Proposed Placement, but was solely an introducer in respect of the Proposed Placement and was paid an introducer fee of S\$5,000. No part of the introducer fee will be shared with any Placee. Save for Wu Jiansheng and David Wu Dewei (who have a father-son relationship), all of the Placees were introduced independently by 8PR Asia Pte Ltd, and are independent investors who are not acting in concert with each other.

The Placees will not be holding the Placement Shares in trust or as a nominee.

There are no share borrowing or lending arrangements for the Proposed Placement.

The issue price of S\$0.29 for each Placement Share represents a discount of approximately 7.3% to the volume weighted average price of S\$0.313 for trades done on the ordinary shares in the capital of the Company ("**Shares**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 4 June 2021 (being the preceding market day up to the time the respective Placement Agreements were signed).

The Placement Shares will be issued pursuant to the general mandate (the "**General Mandate**") obtained at the annual general meeting of the Company held on 26 February 2021 which authorises the Directors of the Company pursuant to Rule 806 of the Listing Manual of the SGX-ST, to allot and issue new Shares in the capital of the Company in accordance with, and subject to, the provisions of Rule 806 of the Listing Manual.

Under the General Mandate, the aggregate number of shares and convertible securities to be issued pursuant to the General Mandate shall not exceed 50% of the issued shares of the Company (excluding treasury shares and subsidiary holdings in each class), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company.

The share capital base of the Company for the computation of the number of shares which may be issued pursuant to the General Mandate is 115,422,103 Shares. The Company does not have any existing warrants or other convertibles (excluding employee share options granted under Rule 843) or treasury shares. Based on the General Mandate, the maximum number of Shares that can be issued to the Placees (after such adjustments as permitted under Rule 806(3) of the Listing Manual) is 23,084,420 Shares¹.

When completed, the Proposed Placement will increase the issued and paid-up share capital of the Company to 137,422,103 Shares. After the completion of the Proposed Placement, 35,711,051 Shares (where members of the Company with registered addresses in Singapore are given an opportunity to participate in an issue of shares and convertible securities on a pro rata basis) or 1,084,420 Shares (where members of the Company with registered addresses in Singapore are not given an opportunity to participate in an issue of shares and convertible securities on a pro rata basis) may be further issued by the Company under respective limits permitted under the General Mandate.

The Placement Shares will represent (i) approximately 19.1% of the existing issued and paid-up share capital of the Company as at the date of this announcement; and (ii) approximately 16.0% of the enlarged issued and paid-up share capital of the Company after the issue of the Placement Shares. The Placement Shares when issued and fully paid will rank *pari passu* in all respects with the existing Shares of the Company.

The Proposed Placement will not involve a transfer of controlling interest and the Placees are not any of the persons set out as restricted persons under Rule 812. The Company will not be issuing Placement Shares to transfer a controlling interest without the prior approval of shareholders in a general meeting.

The Proposed Placement is being made in reliance on the exemption provided under Section 272B of the Securities and Futures Act (Chapter 289) (the "SFA"). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

The terms of the Proposed Placement does not contravene any laws or regulations governing the Company and the Bye-Laws of the Company.

B. CONDITIONS PRECEDENT

The Proposed Placement is conditional upon:

- (a) approval in-principle for the listing and quotation of the Placement 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 Placement Shares on the SGX-ST are required to be fulfilled on or before the completion date, they are so fulfilled;
- (b) the approval of the Directors and shareholders of the Company (where necessary) being obtained in respect of the transactions contemplated by the respective Placement Agreements including but not limited to the issue and allotment of the Placement Shares, and the same not having been withdrawn or revoked and if such consents or approvals are

¹ Based on 20% of 115,422,103 Shares and rounded down to the nearest whole number.

obtained subject to any conditions, such conditions being acceptable to the parties hereto;

- (c) the approval of SGX-ST (if necessary) being obtained in respect of the transactions contemplated by the respective Placement Agreements;
- (d) 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 each of the Placees contained or referred to in the respective Placement Agreements deemed to be repeated on each day hereafter, down to the date of completion of the Proposed Placement in all respects with reference to the facts and circumstances existing on each such day; and
- (e) the subscription, issue and allotment, and offering (if any) of the Placement Shares being in compliance with the SFA in connection with offers of securities and not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore, Bermuda or elsewhere which is applicable to the Company and/or the Placees.

If any of the conditions set forth above is not satisfied on or before 31 July 2021 (or such other later date as the parties may agree) (the “**Long-Stop Date**”), the respective Placement Agreements shall ipso facto cease and determine thereafter, without prejudice to any rights which the Company may have against each of the Placee(s) with respect to his/its failure to fulfill any of the terms of the respective Placement Agreements prior to termination.

C. PROCEEDS FROM PROPOSED PLACEMENT

The estimated net proceeds from the Proposed Placement, after deducting estimated expenses pertaining to the Proposed Placement of S\$40,000, will be S\$6,340,000. The net proceeds will be used for working capital purposes in accordance with the intended use as set out below:

	Amounts (S\$)
NET PROCEEDS RAISED	6,340,000
APPLICATION OF PROCEEDS	
Working Capital for the durian trading business	4,000,000
Working Capital for new markets for the fruit trading business	1,000,000
Headquarter expenses and payables	1,000,000
BALANCE	340,000

The Company will make periodic announcements on the utilisation of proceeds from the Proposed Placement as and when the funds from the Proposed Placement are materially disbursed with a breakdown with specific details on the use of proceeds and provide a status report of the use of proceeds from the Proposed Placement in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

D. FINANCIAL EFFECTS

For illustration purposes only, the table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:-

- (i) The latest audited consolidated financial statements of the Company for the financial year ended 30 September 2020; and
- (ii) The financial impact on the consolidated net tangible assets (“NTA”) per Share of the Company is computed based on the assumption that the Proposed Placement was completed on 30 September 2020 and in relation to the Company’s consolidated loss per Share (“LPS”), computed based on the assumption that the Proposed Placement was completed on 1 April 2019.

	Before the Proposed Placement²	After the Proposed Placement³
Share capital		
- Issued and paid up share capital (HK\$'000)	9,642	13,742
- Number of Shares	96,422,103	137,422,103
NTA (HK'000)	6,788	47,750
NTA per Share (HK cents)	7.04	34.75
(LPS) (HK cents) ⁽¹⁾	(50.31)	(35.30)
(Net Loss) attributable to equity holders of the Company (HK\$'000)	(48,512)	(48,512)
Weighted average number of shares used to calculate diluted loss	96,422,103	137,422,103

Note: (1) LPS is calculated by dividing the Company’s consolidated net loss attributable to equity holders of the Company by the weighted average number of ordinary shares.

The financial effects of the Proposed Placement on the Company and the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Company and the Group after the completion of the Proposed Placement.

E. RULE 812 AND INTERESTED PERSONS

None of the Placees fall within the persons or groups of persons disallowed by the SGX-ST as set out under Rule 812 of the Listing Manual of the SGX-ST (“**SGX-ST Listing Manual**”) or are interested persons under Chapter 9 of the SGX-ST Listing Manual.

² Based on the latest audited consolidated financial statements ending 30 September 2020.

³ Subsequent to the financial year ended 30 September 2020, the Company issued and allotted 19,000,000 Shares pursuant to the Placement Exercise on 19 November 2020. Please refer to the announcement dated 19 November 2020.

F. CHANGES IN SHAREHOLDING STRUCTURE

The Placement Shares will collectively represent approximately 16.0% of the enlarged issued and paid-up share capital of the Company after the completion of the Proposed Placement. Based on the issued share capital of the Company as at the date hereof, the following table sets out the impact on the percentage shareholding of existing Shareholders following completion of the Proposed Placement:

	As at the date hereof						After the Completion of the Proposed Placement					
	Direct Interest		Deemed Interest		Total Interest		Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Substantial Shareholders												
Jia Li Jie	24,187,500	20.96	-	-	24,187,500	20.96	24,187,500	17.60	-	-	24,187,500	17.60
Cheng Meng	13,300,000	11.52	-	-	13,300,000	11.52	13,300,000	9.68	-	-	13,300,000	9.68
Placees												
Tan Kim Tjio	3,450,000	2.99	-	-	3,450,000	2.99	6,450,000	4.69	-	-	6,450,000	4.69
Lim Bee Li	-	-	-	-	-	-	4,000,000	2.91	-	-	4,000,000	2.91
Neo Kok Ching	662,900	0.57	-	-	662,900	0.57	4,162,900	3.03	-	-	4,162,900	3.03
Teng Meng Liew	-	-	-	-	-	-	500,000	0.36	-	-	500,000	0.36
Xiang Tao	-	-	-	-	-	-	1,000,000	0.73	-	-	1,000,000	0.73
David Wu Dewei	-	-	-	-	-	-	1,500,000	1.09	-	-	1,500,000	1.09
Yao Xiuyin	-	-	-	-	-	-	1,000,000	0.73	-	-	1,000,000	0.73
Ang Poh Guan	-	-	-	-	-	-	500,000	0.36	-	-	500,000	0.36
Wu Jiansheng	331,000	0.29	-	-	331,000	0.29	3,331,000	2.42	-	-	3,331,000	2.42
Gao Huazhu	1,126,000	0.98	-	-	1,126,000	0.98	3,126,000	2.27	-	-	3,126,000	2.27
Zhang Min	-	-	-	-	-	-	2,000,000	1.46	-	-	2,000,000	1.46
Other Shareholders	72,364,703	62.70	-	-	72,364,703	62.70	72,364,703	52.66	-	-	72,364,703	52.66
Total	115,422,103	100.00	-	-	115,422,103	100.00	137,422,103	100.00	-	-	137,422,103	100.00

G. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company (other than in their capacity as director or shareholders of the Company) have any interest, direct or indirect, in the Proposed Placement. None of the Directors or substantial shareholders of the Company have any connection (including business relationship) with any of the Placees or their directors or substantial shareholders.

Shareholders and potential investors should note that the Proposed Placement is subject to the fulfilment of, *inter alia*, the conditions precedent set out above and accordingly should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY THE ORDER OF THE BOARD

CHENG MENG

Chief Executive Officer and Executive Director

4 June 2021