

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

PROPOSED PLACEMENT OF 19,000,000 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 21 September 2020 ("**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 19,000,000 new Placement Shares) at the issue price of S\$0.04 per Placement Share, subject to and upon the terms of the Placement Agreements:-

Name of Placee	Number of Placement 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
CHENG MENG	13,300,000	Mr. Cheng was introduced to the Company by Mr. LM Niu who is a business associate of the Company.	Mr. Cheng is an entrepreneur & the founder of OneFamily, which is principally engaged in the plantation, trading & value-added processing of durian since 2013. Mr. Cheng has invested in the Company for investment purposes.	Mr. Cheng has no connection with the issuer, its substantial shareholders or its directors at date of this Placement Agreement.
ALEX LOO LIAT WAH	5,700,000	Mr. Loo was introduced to the Company by Mr. LM Niu who is a business associate of the Company.	Mr. Loo is an entrepreneur actively involved in the mining industry in both alluvial & mineral operations. He has also had advisory roles in corporate CRM, shipping ports (bulk) and cryptocurrency mining / exchanges. Mr. Loo has invested in the Company for investment purposes.	Mr. Loo has no connection with the issuer, its substantial shareholders or its directors at date of this Placement Agreement.

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\$0.04 for each Placement Share represents a premium of approximately 8.1 % to the volume weighted average price of S\$0.037 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 18 September 2020 (being the preceding market day up to the time the 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 29 July 2019 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 96,422,103 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 19,284,420 Shares¹.

When completed, the Proposed Placement will increase the issued and paid up share capital of the Company to 115,422,103 Shares. After the completion of the Placement, 29,211,051 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 284,420 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 19.71% of the existing issued and paid-up share capital of the Company as at the date of this announcement; and (ii) approximately 16.46% 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.

¹ Based on 20% of 96,422,103 Shares and rounded down to the nearest whole number.

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 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 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 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 15 October 2020 (or such other later date as the parties may agree) (the “**Long-Stop Date**”), the Placement Agreement 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 Agreement 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\$720,000. The net proceeds will be used for working capital purposes.

The Company will make periodic announcements on the utilisation of proceeds from the 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 audited consolidated financial statements of the Company for the financial year ended 31 March 2019; 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 31 March 2019 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 Placement	After the Proposed Placement
Share capital		
- Issued and paid up share capital (HK\$'000)	9,642	11,542
- Number of Shares	96,422,103	115,422,103
NTA (HK'000)	56,952	61,056
NTA per Share (HK cents)	59.06	52.90
(LPS) (HK cents) ⁽¹⁾	(96.70)	(88.02)
(Net Loss) attributable to equity holders of the Company (HK\$'000)	(93,236)	(93,236)
Weighted average number of shares used to calculate diluted loss	96,422,103	105,922,103

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.

F. CHANGES IN SHAREHOLDING STRUCTURE

The Placement Shares will collectively represent approximately 16.46% 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	25.08			24,187,500	25.08	24,187,500	20.96			24,187,500	20.96
Shi Fang	21,345,000	22.14			21,345,000	22.14	21,345,000	18.49			21,345,000	18.49
Placees												
Cheng Meng							13,300,000	11.52			13,300,000	11.52
Alex Loo Liat Wah							5,700,000	4.94			5,700,000	4.94
Other Shareholders	50,889,603	52.78			50,889,603	52.78	50,889,603	44.09			50,889,603	44.09
Total	96,422,103	100.0			96,422,103	100.0	115,422,103	100.0			115,422,103	100.0

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

Luk Chung Po, Terence

Chief Executive Officer and Executive Director

21 September 2020