

NUTRYFARM INTERNATIONAL LIMITED
(Under Judicial Management)
(Company Registration Number: 32308)
(Incorporated in Bermuda)

INTERESTED PERSON TRANSACTION – ENTRY INTO LOAN AGREEMENT

Unless otherwise defined, all capitalised terms used but not defined herein shall have the same meanings ascribed to them in the announcement dated 4 January 2023 (the “4 Jan Announcement”).

1. INTRODUCTION

- 1.1 The judicial manager (the “**JM**”) of NutryFarm International Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the 4 Jan Announcement in relation to the Company’s entry into the Term Sheet with Corpbond and wishes to announce that further to the Term Sheet, the JM and the Company have, on 30 January 2023, entered into a loan agreement (the “**Loan Agreement**”) with Corpbond IV Ltd (the “**Corpbond**”), pursuant to which Corpbond will extend a loan of up to a principal amount of S\$1,000,000 to the Company (the “**Funds**” or “**Loan**”).

2. SALIENT TERMS OF THE LOAN AGREEMENT

- 2.1 The first tranche of the Funds amounting to S\$500,000 (the “**First Tranche**”) had been disbursed by Corpbond to the Company on 4 January 2023, upon the fulfilment of the following conditions set out in the Term Sheet:-
- (a) upon signing of the Term Sheet, the JM has taken immediate steps to procure the resignations of: (i) all the executive directors of the Company; and (ii) all the independent directors of the Company (collectively, the “**Existing Directors**”), in accordance with Bermuda laws, the bye-laws of the Company, the Code of Corporate Governance of Singapore and the listing manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Listing Manual**”) (collectively, the “**Laws**”);
 - (b) upon receipt of the resignation letters of the Existing Directors, Corpbond has disbursed the First Tranche to the bank account of the Company operated by the JM; and
 - (c) upon receipt of the First Tranche, Mr Niu Liming has been appointed as the executive director and chief executive officer of the Company, and such number of directors as determined and nominated by Corpbond to the board of directors of the Company, for compliance with the bye-laws of the Company and in accordance with the Laws.
- 2.2 The subsequent tranches shall be disbursed to the Company upon a written request from the JM to Corpbond (the “**Disbursement Request**”). Upon Corpbond’s approval of the Disbursement request, Corpbond shall immediately disburse the amount requested for under the Disbursement Request to the Company’s bank account operated by the JM.
- 2.3 The complete and full disbursement of the Loan shall be conditional upon fulfilment of the following conditions precedent (the “**Conditions Precedent**”):-
- (a) all of the executive directors of Global Agricapital (Singapore) Pte Ltd, Global Agricapital Holdings Pte Ltd and Global Agricapital (Thailand) Co., Ltd, (collectively, the “**Key Subsidiaries**”) shall resign and be replaced by such number of executive directors as determined and nominated by Corpbond in accordance with the constitutive documents and laws of incorporation of the respective Key Subsidiaries;
 - (b) all of the independent directors, if any, of the Key Subsidiaries, shall resign and be replaced by such number of independent directors in accordance with the constitutive documents and

laws of incorporation of the respective Key Subsidiaries;

- (c) the parties having obtained all necessary approvals from their respective board of directors and/or shareholders in connection with the Loan and the transactions contemplated in the Loan Agreement; and
 - (d) the parties having obtained all necessary third party, governmental and regulatory consents, approvals, and waivers (including but not limited to, where applicable, approvals from the SGX-ST) where required for the Loan.
- 2.4 Interest: Interest of 12% per annum calculated on a simple basis shall accrue from the disbursement date of the relevant tranche until the Loan is repaid in full.
- 2.5 Maturity Date: The Loan and the interest accrued thereon shall be repaid in full by the Company on the date falling one (1) calendar year from the disbursement of the last tranche or such other date Corpbond and the JM may mutually agree on (the "**Maturity Date**").
- 2.6 Prepayment: The Company may prepay the outstanding principal amount of the Loan with the prior consent of Corpbond.
- 2.7 Post-Drawdown Undertakings: In consideration for the disbursements of the Loan, the Company undertakes as follows:-
- (a) At such time recommended by Corpbond, the JM shall propose a scheme of arrangement under Part 5 of the Insolvency, Restructuring and Dissolution Act 2018 (the "**IRDA**") providing for, to the extent permissible under applicable laws, the Outstanding Debt (as defined below), the Existing Debt (as defined below) and the default interest arising from the Existing Debt to be converted into shares in accordance with paragraphs 2.7(b) and 2.9 below respectively.
 - (b) In the event that the Company does not repay the existing debt owed by the Company to Corpbond arising from: (i) a loan agreement dated 30 October 2017 between the Company (as the borrower) and Corpbond (as the lender); and (ii) two (2) loan transfer agreements both dated 29 January 2021 wherein debts owed by the Company to a third party (as the original lender) were transferred to Corpbond (as the new lender), wherein the aggregate of the aforesaid debt amounts are subject to formal adjudication by the JM ((i) and (ii) are collectively, the "**Existing Debt**"), and the default interest arising from the Existing Debt, to the extent permissible under applicable laws, the Existing Debt and the default interest arising from the Existing Debt as may be due at the relevant time shall be repaid by issue and allotment of such number of shares in the capital of the Company at an issue price of 0.1 Singapore cent per share to Corpbond and/or its nominee(s), subject to the relevant regulatory requirements.
 - (c) The JM, on behalf of the Company, shall submit an application under section 101(1)(a) of the IRDA and use his best efforts to obtain an order of court for the Loan and all interest accrued thereunder to be granted super priority status under the said section.
- 2.8 Corpbond agrees to provide pre-signed letters of resignation of all persons (including but not limited to directors, officers, managers, consultants, contractors and/or employees) appointed by Corpbond in the Company and in the Key Subsidiaries, which shall be held in escrow by the JM and which shall be released to the relevant company secretary to facilitate the removal of all such aforementioned persons appointed by Corpbond in the Company and in the Key Subsidiaries, should any of the following events occur:-
- (a) the Loan Agreement is terminated due to a material breach by Corpbond; or
 - (b) the Company fully repays the Loan and accrued interest on or before the Maturity Date.
- 2.9 Method of Repayment of Debts: In the event that the Company continues as a going concern and the Loan and the interest accrued thereon are not fully repaid to Corpbond by the Maturity Date, the Loan and the interest arising from the Loan or any part thereof that are not repaid to Corpbond by

the Maturity Date (the “**Outstanding Debt**”) shall, to the extent permissible under applicable laws and as advised by Corpbond’s legal advisers, be fully repaid by the issue and allotment of such number of shares of the Company at an issue price of 0.1 Singapore cent per share to Corpbond and/or its nominee(s), subject to the relevant regulatory requirements.

2.10 Events of Default: Each of the following events shall be an event of default:

- (a) any event which has arisen or there has been a material change in the circumstances of the Borrower which Corpbond is not aware of and which will affect the Company’s ability to repay the Outstanding Debt;
- (b) any winding-up event occurring in respect of the Company, including the occurrence of an order being made or petition presented for the winding-up of the Company or any legal or other process being levied or applied for in respect of the whole or any part of the Company’s assets; or
- (c) a material breach by the Company of any of its obligations or warranties under the Loan Agreement, which is capable of being remedied, is not remedied within thirty (30) days after notice of such breach has been given by Corpbond to the Company.

If any such event of default occurs, then and at any time immediately thereafter, Corpbond may in its absolute discretion declare that all or part of any amounts outstanding under the Loan Agreement are immediately due and payable and/or payable on written demand by Corpbond.

2.11 Governing Law and Jurisdiction: The Loan Agreement shall be governed by and construed in accordance with the laws of Singapore, without regard to principles of conflict of laws thereunder. In relation to any legal action or proceeding arising out of or in connection with the Loan Agreement, the parties shall submit to the exclusive jurisdiction of the courts of Singapore.

3. **INTERESTED PERSON TRANSACTION**

3.1 “Entity at risk” and Interested Person

- (a) “*Entity at risk*”: The Company being the issuer is an “entity at risk” for the purposes of Chapter 9 of the Listing Manual.
- (b) *Interested Person*:
 - (i) Mr Niu Liming is the sole shareholder and director of Corpbond;
 - (ii) Mr Niu Liming is also the Chief Executive Officer and Executive Director of the Company. Further, as at the date of this announcement, he holds 360,000 ordinary shares in the capital of the Company, representing 0.26% of the entire issued share capital of the Company; and
 - (iii) Corpbond, being an associate of Mr Niu Liming and is deemed to have an interest in the shares of the Company held by Mr Niu Liming, and thus an interested person.

In view of the foregoing, the entry into the Loan Agreement which relates to the Company’s receipt of financial assistance from Corpbond constitutes an interested person transaction under Chapter 9 of the Listing Manual.

3.2 Abstention

As the Company is currently placed under judicial management, the review and approval process of the Company’s entry into the Loan Agreement was performed by the JM solely and accordingly, Mr

Niu Liming was not involved in the Company's deliberations of the Loan Agreement.

3.3 Value of Interested Person Transactions

Pursuant to Rule 909(3) of the Listing Manual, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. Based on the principal amount of S\$1,000,000 and the Maturity Date, the total interest payable under the Loan amounts to approximately S\$120,000 (assuming that the principal amount of S\$1,000,000 is fully drawn down on the date of the Loan Agreement at the interest rate of 12% per annum and fully repaid on the Maturity Date).

As the interest payable under the Loan is less than 3% of the Group's latest audited net tangible assets, the Company is neither required to seek shareholders' approval for the entry into the Loan Agreement pursuant to Rule 906 of the Listing Manual nor make an announcement pursuant to Rule 905 of the Listing Manual.

4. **RATIONALE FOR THE PROPOSED FUNDING AND USE OF PROCEEDS**

- 4.1 Since the Company was placed under judicial management on 28 June 2022, the JM has been engaging with potential investors for cash injections and/or businesses into the Group with a view to resuscitating the Company.
- 4.2 As the Company is currently placed under judicial management, the JM is of the view that the Proposed Funding is in the interests of the Company, as the Proposed Funding, if completed, would be a step towards reviving the Company as a going concern.
- 4.3 Further, the JM is of the view that the Proposed Funding is necessary for the carry out of a scheme or schemes of arrangement in relation to the Company's existing debts and to formulate the trading resumption proposal for submission to the SGX-ST.
- 4.4 It is intended that the proceeds from the First Tranche will be used towards funding the JM's activities to carry out such action as necessary to comply with the Conditions Precedent set out in paragraph 2.1 above, while the proceeds from the subsequent Tranches will be used towards, *inter alia*, funding assets recovery of the Group and/or such other purposes as are necessary for the JM to carry out its duties and as may be agreed by Corpbond.

5. **APPROVALS FOR THE PROPOSED FUNDING**

The Company will be undertaking all necessary consultations with and making all necessary applications to seek the required approvals, consents and/or waivers from the SGX-ST and all relevant governmental, regulatory, judicial and other authorities as are necessary for the implementation of the Proposed Funding, and will be updating shareholders on the same in due course.

6. **INTERESTS OF THE JUDICIAL MANAGER, DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in this announcement, as at the date of this announcement, none of the Judicial Manager and directors of the Company and, to the best of the knowledge of the JM and directors of the Company, none of the controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Funding, other than in his/her capacity as a director or shareholder of the Company.

7. **INSPECTION OF DOCUMENTS**

Copies of the Term Sheet and the Loan Agreement will be made available for inspection during

normal business hours at the Company's principal place of business at 80, #25-00 Robinson Road, Singapore 068898 for a period of three (3) months from the date of this announcement.

8. FURTHER ANNOUNCEMENTS

The JM will provide further updates via SGXNET as and when there are material developments in relation to the above.

9. CAUTIONARY STATEMENT

Although the Company's shares are under suspension, shareholders, securityholders and investors are advised to read this announcement and any past and future announcements by the Company and the JM carefully when dealing with the shares and securities of the Company. Shareholders, securityholders, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares or securities of the Company.

Trading in the Company's securities on the SGX-ST had been voluntarily suspended by the Company since 11 April 2022.

**Submitted by the Judicial Manager
For and on behalf of the Company**

Chan Yee Hong
c/o CLA Global TS Risk Advisory Pte. Ltd. (formerly Nexia TS)
16 February 2023