



PRESS RELEASE

NutryFarm Partners with Founder of Combat Durian in a New Singapore Joint Venture; Recent Share Placement to Accelerate its Growth Plans in Asia's Durian Industry

- *NutryFarm has also recently announced plans to raise S\$6.38 million in a share placement exercise to accelerate its growth plans in Asia's durian industry*
- *Strong prospects in Asia's durian industry with key drivers from China's growing demand and resilient demand from Southeast Asia's consumers*

Singapore, 10 June 2021 – NutryFarm International Limited (“**NutryFarm**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), is pleased to announce that the Group's wholly-owned subsidiary, Global Agricapital Holdings Pte Ltd (“**GAH**”), has entered into a joint venture agreement with Kong Jun Durian Pte Ltd (“**Kong Jun**”), a company set-up by Mr Ang Seck Puan, the founder of Singapore's well-known durian retailer, Combat Durian, and certain members of the Ang family (“**Ang Family**”) to expand into durian business in Singapore.

Mr Ang Seck Puan has more than 50 years ago of experience in the fruit trading business, particularly in the durian industry where he is the founder of Combat Durian, an iconic and reputable durian retailer in Singapore.

Under the agreement, a new joint venture company will be set up where GAH will supply the pre-packaged durians and Kong Jun will leverage on their strong retail experience and extensive sales channels for the sales and distribution. GAH will hold 51% of the joint venture company while Kong Jun will hold the remaining 49%.

Executive Director and Chief Executive Officer of NutryFarm, Mr. Cheng Meng (程勳), commented, *Durian is one of Singapore's well-loved fruits and there are several durian-related products popular with Singapore consumers as well, hence Singapore is one of our key target markets in Asia.*

Partnering with the Ang Family is a new step forward that will strengthen our business presence in Singapore and it enable us to create brand awareness in Southeast Asia and Chinese markets as tourism opens up.

Asia's durian industry is supported by positive growth drivers and our recent share placement will strengthen our balance sheet and scale our growth plans within this niche industry.”

Mr. Ang Seck Puan added, *“We are excited to partner with NutryFarm where we will combine our industry capabilities and sales channels to target various consumer segments of the durian market in Singapore. Despite the pandemic, demand for durians in Singapore has remained strong and we look forward to harness the new growth opportunities together.”*



On 4 June 2021, the Group announced a share placement exercise (the “Share Placement”) to raise S\$6.38 million to accelerate its growth plans in Asia’s durian industry.

Under the terms of the Share Placement, NutryFarm, will issue 22 million new ordinary shares at an issue price of S\$0.29 per share, which 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 proceeds of the Share Placement shall be used for business expansion and working capital purposes in relation to the Group’s growth plans in Asia’s durian industry.

According to a report by ResearchAndMarkets.com, the global market for fresh durian is estimated to grow at a CAGR of 10.6% during the forecast period 2020-2025⁽¹⁾

Thailand is the world’s number one exporter of durians and between 2009 and 2017, China’s fresh durian imports grew four-fold, from US\$124 million to US\$552 million.⁽²⁾ Over the whole of 2019, Thailand exported US\$1.46 billion worth of durians to overseas markets, a rise of 54.6% from the previous year, with China, Hong Kong and ASEAN nations accounting for 98% of export volume.⁽³⁾

In 2020, China imported 575,000 tons of durians worth RMB14.7 billion (US\$2.3 billion) from Thailand, up 78% year-on-year, according to data from the Ministry of Agriculture and Cooperatives of Thailand.⁽⁴⁾ This makes China the largest export market for Thai durian.

Recent Corporate Developments

Since December 2020, the Group has announced various agreements to sell a total of 1,480 containers of fresh durians from Thailand to major Chinese fruit importers. The total contract value of these agreements is estimated at approximately RMB 962.0 million as announced on 13 February 2021.

Demonstrating its growing capabilities in the durian industry, the Group, via GAH, has fulfilled its obligations to Moonda (Beijing) Agriculture Science and Technology Co., Ltd (“Moonda”), one of its Chinese customers, for the purchase and shipment of 200 containers of fresh durians by 30 April 2021 amounting to RMB 130 million.

As at 31 March 2021, GAH has shipped 35 containers of fresh durians to Moonda and this was recognized in the Group’s 2nd quarter financial results announcement where the fruit trading business recorded a revenue of HK\$27.9 million, contributing substantially to the profit turnaround in the Group’s 2nd quarter financial results.

Accordingly, the Group expects the 3rd quarter revenue to increase.

(1) <https://www.globenewswire.com/news-release/2020/08/19/2080461/0/en/Fresh-Durian-Industry-Global-Outlook-and-Forecast-Report-2020-2025.html>

(2) [https://www.channelnewsasia.com/news/cnainquirer/how-china-love-durian-reshaping-thai-countryside-monthong-musang-12136924#:~:text=Between%202009%20and%202017%2C%20the,million\)%20to%20US%24552%20million.](https://www.channelnewsasia.com/news/cnainquirer/how-china-love-durian-reshaping-thai-countryside-monthong-musang-12136924#:~:text=Between%202009%20and%202017%2C%20the,million)%20to%20US%24552%20million.)

(3) <https://www.bangkokpost.com/business/1958175/china-demand-spiking-for-thai-durian>

(4) <https://www.globaltimes.cn/page/202102/1216754.shtml>



In May 2021, the Group announced its durian business expansion into Singapore with established e-commerce company, EBUY. Under the Memorandum of Understanding, Ebuy will import and distribute GAH pre-packed durians into Singapore. Singapore is one of the key export destination markets for durians and with the MOU, the Group aims to expand its durian business activities in Singapore.

In view of the Group's intention to build these capabilities in the wholesale trading of fruits, NutryFarm is intending to seek shareholder's approval for a proposed diversification of the Group's core business. The Company has submitted the circular for SGX approval and is intending to convene a general meeting to seek shareholders' approval as soon as practicable.

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This document is to be read in conjunction with NutryFarm's exchange filings on 10 June 2021, which can be downloaded via www.sgx.com.

About NutryFarm International Limited

(Bloomberg: NUF1:SP / Reuters: NUTR.SI/ SGX Stock Code: AZT)

NutryFarm International Limited ("NutryFarm" or "the Company", and together with its subsidiaries, "the Group"), through its wholly-owned subsidiary Nutryfarm Biomedicine International Limited ("NFB"), produces high quality nutrition and health food products formulated mainly from natural traditional medicinal herbs from across the Americas and regions in China, Europe and New Zealand for consumers in the People's Republic of China ("PRC").

While Nutryfarm is in the business of manufacturing, sales and distribution of nutritional and health food business, the trading and distribution of fresh fruits to China is an extension of its business model as it capitalizes on the Group's understanding of food certifications and connections in China.

Global Agricapital Holdings Pte. Ltd., a wholly-owned subsidiary of the Company, is engaged in the wholesale trading and distribution of fruits, particularly in durians.

Issued on behalf of NutryFarm International Limited by 8PR Asia Pte Ltd.

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