

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

ENTRY INTO JOINT VENTURE AGREEMENT

1 INTRODUCTION

The Board of Directors (the “Board”) of Nutryfarm International Limited (the “**Company**”), and its subsidiaries (the “**Group**”), wishes to announce that Global Agricapital Holdings Pte Ltd (“**GAH**”), a wholly-owned subsidiary of the Group, has on 10 June 2021 entered into a joint venture agreement (the “**JVA**”) governed by the laws of Singapore with Kong Jun Durian Pte Ltd (“**Kong Jun**”, and collectively with GAH, the “**Parties**”). Under the JVA, the Parties intend to establish a joint venture company (“**JV Company**”), to be incorporated in Singapore to carry out the business of sales and distribution of pre-packed durians in Singapore (the “**Joint Venture**”).

2 JOINT VENTURE

2.1 INFORMATION ON THE JOINT VENTURE PARTNER

Kong Jun is owned by the Ang family, with Ang Seck Puan (holding a 50% shareholding interest), Ang Choon Beng (holding a 25% shareholding interest) and Ang Choon Cheng (holding a 25% shareholding interest). The family is in the business of selling fresh durians in Singapore, and runs Combat Durian and 空军, one of the most iconic durian retailers in Singapore with two stalls in Balestier and Rangoon Road.

Prior to the Joint Venture, Kong Jun and its shareholders were independent and unrelated parties to the Group, the Company, GAH and their respective directors, chief executive officers and controlling shareholders, and have had no prior business, commercial or trade dealings with the Group.

2.2 FRAMEWORK AND SALIENT TERMS OF THE JVA

2.2.1 Formation of the JV Company and Share Capital

Upon satisfaction of the condition precedent and pursuant to the JVA, each of the Parties shall subscribe for such number of new shares in the JV Company such that upon completion of the subscription, the JV Company will have an initial issued and paid-up share capital of S\$10,000 divided into 10,000 ordinary shares and the shareholding proportion of the JV Company shall be as follows:

Name	Number of Shares	Percentage of entire issued share capital
GAH	5,100	51%
Kong Jun	4,900	49%
Total:	<u>10,000</u>	<u>100%</u>

On incorporation, the JV Company will become an indirect 51%-owned subsidiary of the Company, through GAH.

2.2.2 Business of the JV Company

The purpose of the Joint Venture is for the JV Company to carry out the business of sales and distribution of pre-packed durians in Singapore.

2.2.3 Board composition and control

The board of directors of the JV Company shall consist of a minimum of two (2) directors. GAH will nominate one (1) director to be the Chairman and Kong Jun will nominate Ang Choon Cheng as the Managing Director who will be in charge of the daily operations of the development of the JV Company. For so long as GAH remains a controlling or significant shareholder of the JV Company, it shall be entitled to nominate additional persons to be a director to have board control.

2.2.4 Reserved matters

The JVA sets out certain customary matters which require (i) the sanction of all shareholders of the JV Company; or (ii) the approval of not less than two-thirds (2/3) of the directors present at a board meeting one of whom shall be a nominee of GAH.

3 RATIONALE FOR THE JOINT VENTURE

The Board believes that the proposed Joint Venture will enable the Group to grow its fruit trading business in Singapore. The proposed Joint Venture will also allow the Group to leverage on the retail and distribution network of Kong Jun and its associates.

Accordingly, the Board believes that the entry into the JVA is in the best interests of the Company and GAH.

4 FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

The proposed subscription of shares payable by GAH under the JVA, will be funded through the Group's internal resources and, at present, is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 30 September 2021.

5 INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

None of the directors, controlling shareholders or substantial shareholders of the Company and GAH has any interest, direct or indirect, in the Joint Venture, other than through their respective shareholdings in the Company.

6 DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the JVA, with commercially sensitive information redacted, will be available for inspection during normal business hours at the Company's registered address at Room 1916, 19/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong, for three (3) months from the date of this announcement.

7 FURTHER ANNOUNCEMENTS

Further announcements will be released on this matter as and when there are material developments.

BY ORDER OF THE BOARD

Cheng Meng

Chief Executive Officer and Executive Director

10 June 2021