

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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Board of Directors (the “**Board**”) of NutryFarm International Limited (the “**Company**”), and together with its subsidiaries, refers to its announcement dated 12 February 2018 (the “**Announcement**”) on the Quarterly Financial Statement and Dividend Announcement for the third quarter ended 31 December 2017 (“**Q3FY2018**”). In this regard, the Board would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited on 1 March 2018 (the “**SGX Queries**” and each an “**SGX Query**”) as follows:

SGX Query (a)

With reference to page 11 of the Company’s financial statement results, it is stated that “*The Group recorded HK\$42.7 million long term payables as at 31 December 2017. It represents the Company’s receipt of an aggregate of HK\$42.7 million third party loan from investors with an annual interest rate of 3.7% and 7.4% for three years to four years during FY2018.*”

With regards to the HK\$42.7 million third party loan, please clarify:-

- a. What are the salient terms of the HK\$42.7 million third party loan; and
- b. a breakdown of the use of proceeds; and the amount which has already been utilized.

Company’s Response to SGX Query (a)a.

The terms of HK\$42.7 million third party loans as at 31 December 2017 comprised:

1. A HK\$10.4 million loan with a maturity date of three (3) years at a simple interest rate of 7.4% per annum;
2. A HK\$20.8 million loan with a maturity date of three (3) years at a simple interest rate of 3.7% per annum; and
3. A HK\$11.5 million loan with a maturity date of four (4) years at a simple interest rate of 3.7% per annum.

Company’s Response to SGX Query (a)b.

The breakdown of use of proceeds is as follows:

	Amount (HK\$’million)
Current business expansion ⁽¹⁾	3.5
Advance to current business partners to support market and promotion activities ⁽¹⁾	15.8
Advance to business partners to expand and develop the Group’s business ⁽¹⁾	17

Total utilised	36.3
Total unutilised	6.4

Total	42.7

Note:

(1) As set out on page 11 of the Announcement.

BY ORDER OF THE BOARD

Paul Gao Xiangnong

Chief Executive Officer and Executive Director
6 March 2018