11 December 2025

NutryFarm International Limited

Executive Summary to the Independent Review

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1. Disclaimers, limitations in scope and maxwellisation

1.1. Disclaimers

1.1.1. This Report has been prepared by FTI for the exclusive benefit of NutryFarm International Limited ("**NutryFarm**") and SGX RegCo, and in accordance with their instructions. This report may be relied on, solely for the purposes specified in the Letter of Engagement between FTI and NutryFarm. It is also prepared based on, and subject to, the assumptions and qualifications stated herein. We have not reviewed any financial transactions or other documents and information other than those expressly stated in this Report. Our work does not constitute an audit, as defined by Generally Accepted Auditing Standards or other assurance standards in the relevant jurisdiction(s), and accordingly we do not express any form of assurance on the financial statements. There are no third-party beneficiaries with respect to this report, and FTI does not accept any liability to any third party. While this report is made available for public reference by NutryFarm and SGX RegCo, any further use or reliance on this Report for any purpose by any third party, are at their own risk. Any reproduction or publication, in whole or in part, of this Report is not allowed by any party other than NutryFarm and SGX RegCo.

1.1.2. This Report may contain price sensitive information relating to NutryFarm whose shares are listed on SGX. We expressly disclaim and take no responsibility, directly or indirectly, for any and all liabilities of any nature whatsoever in the event that this Report is disclosed to any third party, whether directly, indirectly, intentionally or otherwise.

1.1.3. Our observations are based on documents and information relevant to our scope of work that were made available to us up to 7 June 2022. If any new or updated information is made available to us after the aforementioned date, or if relevant persons with whom we had been unable to speak with has subsequently come forward, we reserve the right to review any additional information and to assess the impact, if any, on our observations. Our observations may be subject to change if additional information is provided at a later date after the issuance fo this report.

1.1.4. Our work has been limited by access to information sources. As such, we may not become aware of all facts or information that may be regarded as relevant. Our ability to report adequately may be materially prejudiced and you should not reply on our and our report as being comprehensive. We accept no responsibility for matters not covered by our report or omitted due to the limited nature of our review.

1.1.5. In performing our work, we have relied on information and explanations supplied to us by representatives of NutryFarm, LVHK, WiVision and NFC, as well as current and former Board of Directors. We have not conducted any verification of the information provided to us unless specified otherwise. Any statements provided may result from interviewees' recollection and memory. We do not assume any responsibility for and make no representation with respect to the accuracy or completeness of the information and explanations provided to us.

1.1.6. In conducting the fund tracing on the source of the refundable deposits and advances to MLTY, as well as the use of repayments, we noted that the bank statements do not necessarily specify the payee's or payer's names. As such, we have relied on the descriptions in the general ledgers in determining the nature of the bank transactions.

1.1.7. The documents we received were scanned electronic format and photocopies. Hence, we were not able to assess the authenticity of these documents.

1.1.8. As the facts and circumstances around the Transactions occurred in as early as 2016/2017, to the extent available, we have corroborated the key management's verbal representations with documentary evidence, where available.

1.1.9. We are not qualified to provide legal advice. We were assisted by our legal advisors in our observations on potential contravention of applicable listing rules, and laws and regulations contained or referred in this Report. Our observations and comments should not be construed as constituting legal advice on any matter. Where it is deemed appropriate or necessary, separate and independent legal advice should be sought on any of the matters, issues or observations contained or referred to in this Report, which may have legal consequences.

1.1.10. Our procedures performed may not have necessarily resulted in any conclusive findings and/or the discovery of fraud or corrupt practices. We do not warrant as to the adequacy or sufficiency of the procedures performed.

1.2. Limitations in scope

1.2.1. Due to travel restrictions during the Covid-19 pandemic period, we were unable to travel to NutryFarm's overseas locations. The documents made available to us are all electronic copies, and subject to the limitations set out below:

(a) In respect of the corporate searches conducted on PRC companies, the corporate search results do not contain personal identification numbers of the individual shareholders, legal representatives, directors, and management personnel. Hence, we are only able to identify Chinese characters of the names of individuals and are unable to ascertain whether the person reflected in the company search results is the same person.

(b) We requested interviews with Mr. Wang and Ms. Li Chunling to corroborate the facts, circumstances, and recovery of funds for the Transactions. We were informed by the Company that these individuals were not available for our interviews.

(c) We have not been provided with LVHK's HSBC bank statements for bank account 4XX-XXXXXX-838 for the period April 2019 to September 2020 and January 2021 to August 2021. Accordingly, we are unable to verify the repayments received from the vendor (or other parties connected to him) that occurred during the aforementioned periods.

(d) While we have been provided with the Group Consolidation Spreadsheet for FYE 31 March 2018, FYE 31 March 2019 and FYE 30 September 2020, we were not provided with any of the quarterly Group consolidation spreadsheet in respect of FYE 2017 to FYE 2021. We were provided with WiVision's journal entries for the period from 31 January 2017 to 17 March 2022, but we were not provided with WiVision's general ledgers. There were differences noted between the Refundable Deposits balances reflected in LVHK's general ledger, repayment of Refundable Deposits received by WiVision and that reflected in the Group consolidation spreadsheet. As such, we are unable to determine the completeness of transactions in respect of the Refundable Deposits due from Mr. Wang in LVHK and WiVision's books.

(e) We have been provided with WiVision's journal entries from 31 January 2017 to 17 March 2022 and its bank statements from January 2018 to March 2022. We have not been provided with the general ledgers and have used the journal entries to reconstruct the bank ledger and matched them against the available bank statements. While transactions were noted with Mr. Wang, Mr. Wang Xiaotong, Ms. Feng, SYT, XJZT and ZLST, a number of these transactions did not contain sufficient transaction description on the nature or purpose of the payments/ receipts. As such, we are unable to ascertain the nature or purpose of some transactions. We were also unable to confirm on the completeness of the journal entries provided to us.

(f) We were provided with NFC's bank statements, bank ledgers and the listing of transactions with MLTY. For the purpose of fund tracing, we have relied on the

transaction descriptions in the bank ledgers and bank statements to determine and interpret the source of funds to MLTY, as well as the use of the repayments from MLTY. We were not provided with the audited financial statements of NFC or a complete set of NFC's general ledger, and hence, we are unable to confirm whether our understanding of the transaction and nature of transactions in the bank ledgers are accurate.

(g) We were informed that the Company did not have information on the family members of NutryFarm/ NFC's key management personnel and Directors who were involved in the decision-making process for the Transactions. FTI requested the aforementioned information directly from Mr. Paul Gao (former CEO and Director), Mr. Andy Xu (former CFO) and Mr. Xu Hai Min (Director of NutryFarm at the time of FTI's request) for the purpose of conducting conflict checks against the Chinese counterparties to the two proposed acquisitions and advance payments to MLTY . However, our request was rejected by these individuals who explained that their family members were not involved in NutryFarm's business and that their family member details are personal. As such, we are unable to determine any potential conflict of interest arising from the Directors' family members interests in the Transactions.

1.3. Maxwellization of this Report

1.3.1. FTI conducted Maxwellisation of the draft report between August 2024 and September 2024 with eight former directors. The former directors were contacted through either their last known postal address or email addresses and WeChat/WhatsApp. Relevant extracts of the Report were circulated to five former directors who responded to our email request for Maxwellisation.

1.3.2. The following three former directors were provided with the relevant extracts of our Report and provided comments. We have considered all the comments provided and have updated our report where appropriate.

(a) Mr. Jimmy Ng Poh Khoon;
(b) Mr. Neo Chee Beng; and
(c) Ms. Lee Pih Peng.

1.3.3. The following two former directors did not respond with any comments to the relevant extracts provided to them:

(a) Mr. Terence Luk; and
(b) Mr. Cheng Meng.

1.3.4. We have attempted to contact the following three former directors, but either did not receive any response or they were uncontactable.

(a) Mr. Paul Gao Xiangnong;
(b) Mr. Xu Haimin; and
(c) Mrs. Li Chunling.

2. Executive Summary

2.1. Background and scope of work

2.1.1. This executive summary should be read in conjunction with the glossary, disclaimers, limitations, and details contained in this Report.

2.1.2. NutryFarm International Limited ("**NutryFarm**" or the "**Company**") is an investment holding company listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX**"). The Company together with its subsidiaries (collectively the "**Group**") are principally in the business of manufacturing, sales and distribution of nutritional and health food business, and trading and distribution of fresh fruits.

2.1.3. On 15 March 2018, the Company announced that an indirectly wholly owned subsidiary of the Company, LottVision Internet Management Limited ("**LIML**") had entered into a deed of sale and purchase and a shareholders' agreement with Mr. Wang Xiaoxin ("**Mr. Wang**" or "**WXX**" or the "**Vendor**") in connection with the proposed acquisition of 45% of the issued and paid-up shares of First Linkage Inc. ("**First Linkage**") (the "**First Proposed Acquisition**"). The aggregate consideration for the First Proposed Acquisition was RMB 90 million, subject to the Profit Guarantee and Retained Sum. The Purchase Consideration was to be satisfied by payment of RMB 67.5 million (being aggregate purchase consideration of RMB 90 million less the Retained Sum of RMB 22.5 million) in cash by telegraphic transfer in immediately available funds free of bank charges to Mr. Wang.

2.1.4. On 10 February 2019, the Company announced that it had received a letter from Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") informing them that the Company's application on the circular clearance for the First Proposed Acquisition was rejected.

2.1.5. On 21 June 2019, the Company announced that it had entered through LIML, into a sale and purchase agreement with First Linkage in connection with the acquisition of 100% of the equity interests of Xinjiang Zhongtong Internet Science and Technology Development Co., Ltd. ("**XJZT**") from Beijing Zhonglian Shengtong Internet Technology Co., Ltd. ("**ZLST**"), an indirect subsidiary of First Linkage, for an aggregate consideration of RMB 50 million (the "**Second Proposed Acquisition**"), with the Completion Date no later than 31 December 2019.

2.1.6. On 3 December 2019, the Company made two SGX announcements. In the SGX announcement titled "Termination of the Shareholders' agreement and the deed of sale and purchase", the Company announced that LIML and Mr. Wang agreed to terminate

the First Proposed Acquisition, and further agreed to release and discharge each party from all claims and other actions arising from the transactional documents relating to the First Proposed Acquisition, save for the refundable deposit[1] provided by LIML, through LottVision (Hong Kong) Limited ("**LVHK**").

2.1.7. On the same day, in another SGX announcement titled "Entry into a deed of amendment and set-off", the Company further announced that LIML, First Linkage and Mr. Wang (the sole shareholder of First Linkage) entered into a Deed of Amendment and Set-off, to set out the parties' intentions in respect of the payment of the purchase consideration for XJZT of RMB 50 million. It was disclosed that the parties had agreed for LIML, through LVHK, to provide a refundable deposit in aggregate amount of HKD 91.4 million to Mr. Wang. It was also disclosed that on 3 December 2019, the parties had entered into a deed of termination to terminate the First Proposed Acquisition, and for Mr. Wang to return the deposit in full to LIML, without interest thereon. According to the 3 December 2019 announcement, as at 3 December 2019 the balance of the deposit remaining to be refunded by Mr. Wang was HKD 66.8 million. It was further disclosed that the parties had mutually agreed to extend the Completion Date of the Second Proposed Acquisition to 30 June 2020, and on Completion, any of the outstanding Refundable Deposit was to be applied towards the Consideration payable for the Second Proposed Acquisition.

2.1.8. The Second Proposed Acquisition lapsed after the Company did not obtain SGX's approval by the Completion Date of 30 June 2020 for the Second Proposed Acquisition.

2.1.9. On 9 March 2021, in an announcement responding to SGX RegCo's queries, the Company said it had reached an in-principle agreement with Mr. Wang, requiring him to repay the outstanding refundable deposit of HKD 62 million over four years.

2.1.10. On 11 August 2021, in response to SGX RegCo's queries relating to the Company's HKD 31,961,000 "advances to third parties and suppliers" as of 31 March 2021, the Company indicated this was mainly comprised of RMB 26,810,000 (~HKD 31,721,592 translated at 1 March 2021 exchange rate of RMB1=HKD1.1832 as published on Yahoo Finance) in advances to Chengdu Meili Tianyuan Agriculture Co. Ltd. ("**MLTY**") made since 2018 (the "**Advance Payments to MLTY**"). MLTY is an associate of two customers of NutryFarm (Chengdu) Biomedicine Ltd ("**NFC**") and maintains influence over these two customers. The Company is an indirect 100% shareholder of NFC, through its wholly owned subsidiary, NutryFarm Biomedicine International Limited ("**NFB**"). The Company

[1] "Refundable Deposit" refers to payments that were disbursed in batches starting from 27 April 2017 and subsequently made pursuant to a Loan Agreement dated 15 June 2017 that was entered into in contemplation of the First Proposed Acquisition. The Company subsequently described these payments as a Refundable Deposit in connection with the First Proposed Acquisition.

also advised that MLTY had not repaid the advances since late 2019 due to the outbreak of COVID-19.

2.1.11. Pursuant to the issuance of the Notice of Compliance by SGX RegCo on 8 September 2021, the Company's Audit Committee appointed FTI Consulting (Singapore) Pte Ltd ("**FTI**" or "**we**") on 16 November 2021 as an independent reviewer to investigate the facts and circumstances surrounding the:

A. First Proposed Acquisition, including an assessment of the payment of the Refundable Deposit (HKD 91.4 million) by LIML, to Mr. Wang in connection with the Proposed Acquisition of First Linkage; and recovery of the Refundable Deposit from Mr. Wang.

B. Second Proposed Acquisition, including the subsequent termination; and

C. Advance Payments to MLYT.

2.1.12. We were required by SGX RegCo to identify any potential contravention of the applicable listing rules, laws, and regulations as well as to highlight any internal control weaknesses (including recommendations to remedy the control weaknesses identified) noted during the review into the Transactions and the Company's recovery of the Refundable Deposit and Advance Payments (including any escalation to and approval received from the Board).

2.1.13. In relation to the due diligence performed by the key management and directors for the Proposed Acquisition of First Linkage and XJZT, we were also asked to determine whether the key management and directors had adequately discharged their fiduciary duties as key officers of the Company pursuant to Section 156/157 of the Companies Act.

2.1.14. Given that NutryFarm was incorporated in Bermuda, Sections 156 and 157 of the Singapore Companies Act do not apply to the Company and its Directors. However, Section 97 of the Bermuda Companies Act 1981 prescribes statutory duties which are similar to Sections 156 and 157 of the Singapore Companies Act. In particular, it provides that officers of Bermudan-incorporated entities, including directors, are to act honestly and in good faith with a view to the best interests of the company and to exercise care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. It goes on to provide that an officer shall be deemed to not be acting honestly and in good faith if *inter alia* he fails to disclose at the first opportunity at a meeting of directors or by writing to the directors his interests in a transaction or proposed transaction with the company.

2.1.15. These statutory duties are in addition to, and do not derogate from, their common law fiduciary duties: see ***East Asia Company Ltd v PT Satria Tirtatama Energindo*** **[2019] UKPC 30** (from the Court of Appeal of Bermuda) at [97]. Under the circumstances, for the purposes of this Report, we have assumed that the statutory duties prescribed by Section 97 of the Bermuda Companies Act 1981 are similar to Sections 156 and 157 of the Singapore Companies Act, which for convenience, we will term the "**Fiduciary Obligations**". This would, of course, be subject to confirmation by duly qualified Bermudan lawyers.

2.1.16. The remainder of this executive summary comprises:

- Section 1.2 - Key management personnel and Board of Directors during the period of the transactions;
- Section 1.3 - Group structure of NutryFarm International Limited (as of 7 December 2021);
- Section 1.4 - Overview of transactions between the Group and counterparties connected with the First and Second Proposed Acquisitions (or parties connected to them);
- Section 1.5 – Payments/ repayments in connection with the First and Second Proposed Acquisitions as recorded in LVHK's general ledger and WiVision's journal entries;
- Section 1.6 – Transactions with Chengdu Meili Tianyuan Agriculture Co., Ltd ("MLTY"); and
- Section 1.7 - Overview of observations.

2.1.17. FTI is to report directly to SGX RegCo, and this report is prepared for SGX RegCo in respect of the Transactions stated above ("**Report**"). We understand that SGX RegCo may decide to publish certain portions or the whole of this Report. Under the terms of engagement in our engagement letter dated 16 November 2021, SGX RegCo is obliged to share the draft Release with us prior to publishing the same.

2.1.18. FTI is not qualified to provide legal advice. We were assisted by our legal advisors in our observations on potential contravention of applicable listing rules, and laws and regulations contained or referred in this Report. Our observations and comments should not be construed as constituting legal advice on any matter. Where it is deemed appropriate or necessary, separate, and independent legal advice should be sought on any of the matters, issues or observations contained or referred to in this Report, which may have legal consequences.

2.1.19. This report was prepared in early 2022, and was reviewed by the Company's Audit Committee in May 2022. However, NutryFarm was placed in Judicial Management in June 2022 and this report was put on hold.

2.1.20. Following the restructuring agreement dated 15 July 2024 between NutryFarm, the Judicial Manager and the new investor, Corpbond IV Ltd (NutryFarm's Investor for the restructuring of the Claims of its Creditors) instructed FTI to re-commence work to finalize this report for submission to SGX RegCo. As part of the report finalization process, FTI conducted Maxwellization of the draft report to eight former directors of NutryFarm between August 2024 and September 2024. The former directors were contacted through either their last known postal address, email addresses, WeChat or WhatsApp numbers. Relevant extracts of the Report were subsequently circulated to five former directors who responded to our requests, for which only three former directors reverted with comments. We have considered all the comments provided by the three former directors and have updated our report where appropriate.

2.1.21. Some of the former directors were either uncontactable, or did not respond with any comments on the extracts of the Report provided to them. We have finalized this Report without their input. FTI shall not be held responsible for any incompleteness and/or inaccuracies arising therefrom, or any losses and/or damages incurred by any parties as a result of our findings.

2.2. Key management personnel and Board of Directors during the period of the transactions

S/N	Name	Management/ Board member	Designation during period of Transactions	10 March 2017 - 21 February 2019[2]	22 February 2019 - 13 October 2019	14 October 2019[3] - 8 November 2019[4]	9 November 2019 - 17 November 2020	18 November 2020[5] - 26 February 2021	27 February 2021[6] – 1 October 2021[7]	1 October 2021[8] – 15 November 2021	16 November 2021[9] - 30 December 2021[10]
			NutryFarm International Limited								
1.	Mrs. Li Chunling	Management and Board Member	• Executive Director ("**ED**") from 10 March 2017 to 21 February 2019	✓							
2.	Mr. Paul Gao Xiangnong ("**Mr. Paul Gao**")	Management and Board Member	• Chief Executive Officer ("**CEO**") and Executive Director from 9 January 2006 to 8 November 2019	✓	✓	✓					
3.	Mr. Andy Xu Peng	Management	• Chief Financial Officer ("**CFO**") and Joint Company	✓	✓	✓	✓	✓	✓		

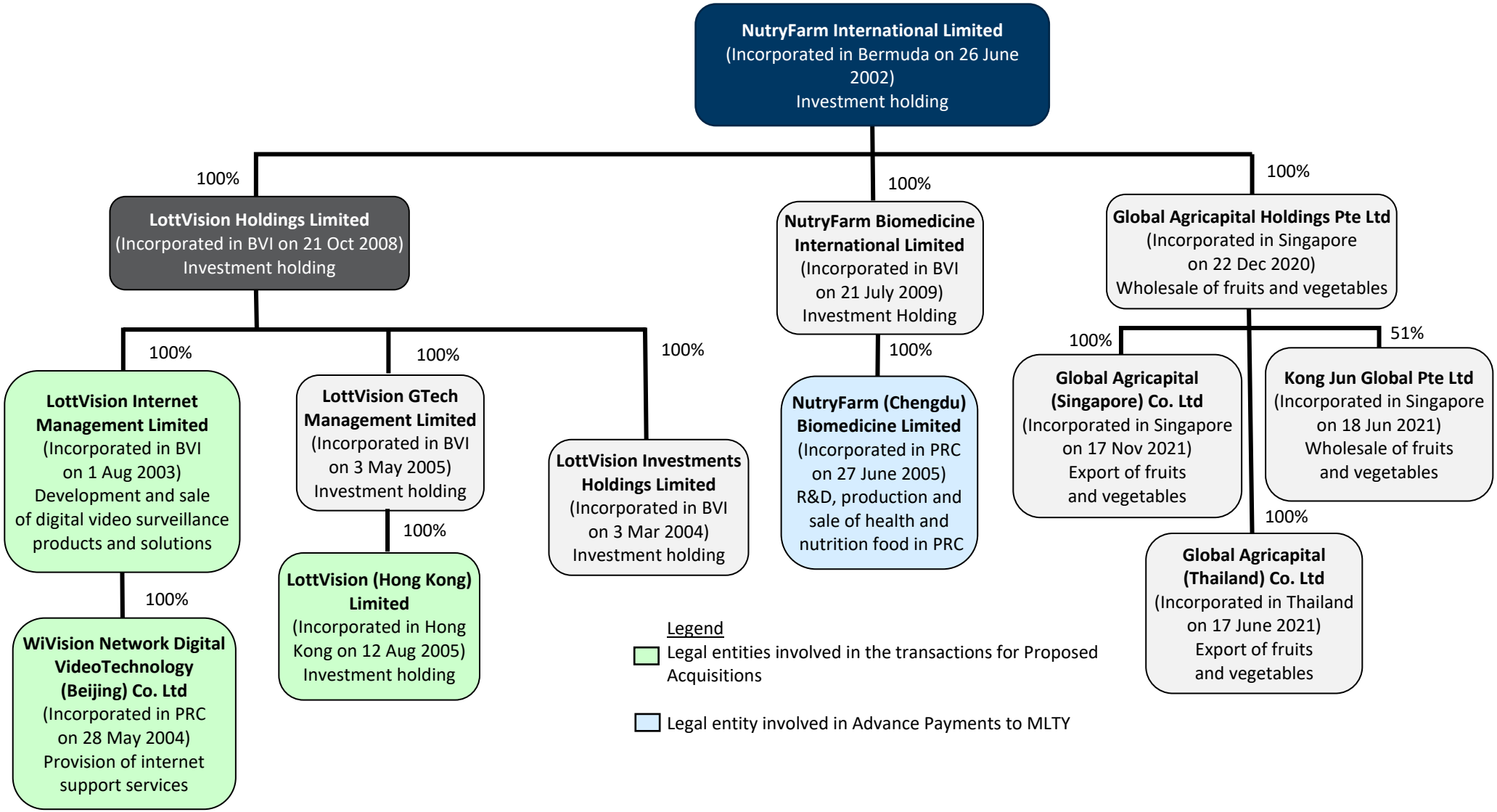
[2] Mrs. Li Chunling ceased to be a Board member on 21 February 2019.
[3] Mr. Terence Luk was appointed as a new Board member on 14 October 2019.
[4] Mr. Paul Gao ceased to be CEO and a Board member on 8 November 2019.
[5] Mr. Cheng Meng was appointed as a new Board member on 18 November 2020.
[6] Ms. Lee Pih Peng was appointed as a new Board member on 27 February 2021.
[7] Mr. Andy Xu ceased to be CFO on 1 October 2021.
[8] Mr. Lim Boo Hiong was appointed as Acting CFO and Company Secretary on 1 October 2021 following Mr. Andy Xu's resignation.
[9] Mr. Levin Lee was appointed as a Board member on 16 November 2021.
[10] Mr. Xu Haimin ceased to be a Board member on 30 December 2021.

S/N	Name	Management/ Board member	Designation during period of Transactions	10 March 2017 - 21 February 2019[2]	22 February 2019 - 13 October 2019	14 October 2019[3] - 8 November 2019[4]	9 November 2019 - 17 November 2020	18 November 2020[5] - 26 February 2021	27 February 2021[6] – 1 October 2021[7]	1 October 2021[8] – 15 November 2021	16 November 2021[9] - 30 December 2021[10]
	("**Mr. Andy Xu**")		Secretary from 27 February 2009 to 1 October 2021								
4.	Mr. Xu Haimin	Board Member	• NED from 9 April 2014 to 30 December 2021	✓	✓	✓	✓	✓	✓	✓	✓
5.	Mr. Jimmy Ng Poh Khoon ("**Mr. Jimmy Ng**")	Board Member	• Independent Director ("**ID**") from 1 April 2008 to 1 January 2022 • Non-Executive Non-Independent Director from 1 January 2022 to 23 September 2022	✓	✓	✓	✓	✓	✓	✓	✓
6.	Mr. Neo Chee Beng	Board Member	• ID from 1 October 2009 to 1 January 2022 • Non-Executive Non-Independent Director from 1 January 2022 to 1 March 2022	✓	✓	✓	✓	✓	✓	✓	✓
7.	Mr. Terence Luk Chung Po ("**Mr. Terence Luk**")	Management and Board Member	• ED from 14 October 2019 to 6 February 2020 • CEO and ED from 6 February 2020 to 6 January 2021			✓	✓	✓	✓	✓	✓

S/N	Name	Management/ Board member	Designation during period of Transactions	10 March 2017 - 21 February 2019[2]	22 February 2019 - 13 October 2019	14 October 2019[3] - 8 November 2019[4]	9 November 2019 - 17 November 2020	18 November 2020[5] - 26 February 2021	27 February 2021[6] – 1 October 2021[7]	1 October 2021[8] – 15 November 2021	16 November 2021[9] - 30 December 2021[10]
			• Non-Executive Chairman from 6 January 2021 to 8 March 2022 • Non-Executive Director ("**NED**") from 8 March 2022 to 3 October 2022								
8.	Mr. Cheng Meng	Management and Board Member	• NED from 18 November 2020 – 10 December 2020 • ED from 10 December 2020 – 6 January 2021 • CEO from 6 January 2021 – 11 February 2022 • ED from 11 February 2022 to 1 April 2022					✓	✓	✓	✓
9.	Ms. Lee Pih Peng	Board Member	• Non-Executive Independent Director from 27 February 2021 – 21 March 2022						✓	✓	✓
10.	Mr. Lim Boo Hiong	Management	• Acting CFO and Company Secretary from 1 October 2021 – 24 April 2022							✓	✓
11.	Mr. Levin Lee Keng Weng	Board Member	• ED from 16 November 2021 – 19 April 2022								✓

S/N	Name	Management/ Board member	Designation during period of Transactions	10 March 2017 - 21 February 2019[2]	22 February 2019 - 13 October 2019	14 October 2019[3] - 8 November 2019[4]	9 November 2019 - 17 November 2020	18 November 2020[5] - 26 February 2021	27 February 2021[6] – 1 October 2021[7]	1 October 2021[8] – 15 November 2021	16 November 2021[9] - 30 December 2021[10]
NutryFarm (Chengdu) Biomedicine Ltd											
12.	Mr. Chen Wei	Management	• Assistant General Manager since 2016	✓	✓	✓	✓	✓	✓	✓	✓

2.3. Group Structure of NutryFarm International Limited (as of 7 December 2021)



2.4. Overview of transactions between the Group and counterparties connected with the First and Second Proposed Acquisitions (or parties connected to them)

2.4.1. Based on the general ledger of LVHK, journal entries of WiVision Network Digital Video Technology (Beijing) Co. Limited ("**WiVision**"), and the bank statements of LVHK and WiVision, payments of approximately HKD 148,581,121 were made to and receipts of approximately HKD 44,411,613 were deposited from the counterparties of the First and Second Proposed Acquisitions between March 2017 to December 2021, and the parties connected with them.

2.4.2. As we will elaborate on below, most of the payments described as "Prepayment for Acquisition" for LVHK (HKD) and "Payments/Repayments" by WiVision (RMB) precede the First Proposed Acquisition and were subsequently described or reclassified by the Company as "Refundable Deposits" in connection with the First Proposed Acquisition. To the extent information was made available to us, we provide details of the nature of transaction and amounts paid or received in the table below:

			Counterparties							
Nature	**NutryFarm Entities**		**Mr. Wang**	**Ms. Feng**	**Mr. Wang Xiaotong**	**GM[11]**	**SYT[12]**	**XJZT**	**ZLST**	**Total**
Prepayment for Acquisition	LVHK (HKD)	Payments (P1)	(42,880,000)	(31,300,000)	-	(21,200,000)	-	-	-	(95,380,000)
		Repayments (R1)	3,451,000	6,520,000	-	2,800,000	-	-	-	12,771,000
		Net (N1=P1+R1)	(39,429,000)	(24,780,000)	-	(18,400,000)	-	-	-	(82,609,000)

[11] GM refers to Grand Majestic Holdings Ltd, a company incorporated under the laws of the BVI.
[12] SYT refers to Beijing Shengyuantong Science and Technology Development Co., Ltd, a company incorporated under the laws of the PRC.

			Counterparties							
Nature	**NutryFarm Entities**		**Mr. Wang**	**Ms. Feng**	**Mr. Wang Xiaotong**	**GM[11]**	**SYT[12]**	**XJZT**	**ZLST**	**Total**
Payments/Repayments	WiVision (RMB)	Payments (P2)	-	-	-	-	-	(160,000)	-	(160,000)
		Repayments (R2)	18,403,300	-	-	-	-	1,550,000	-	19,953,300
		Net (N2=P2+R2)	18,403,300[13]	-	-	-	-	1,390,000[14]	-	19,793,300
	WiVision (HKD, converted @ RMB 1 = HKD 1.1544)	Payments (P3)	-	-	-	-	-	(184,704)	-	(184,704)
		Repayments (R3)	21,244,770	-	-	-	-	1,789,320	-	23,034,090
		Net (N3=P3+R3)	21,244,770	-	-	-	-	1,604,616	-	22,849,386
Refundable Deposits	Total (HKD)	**Net (NT1=N1+N3)**	**(18,184,230)**	**(24,780,000)**	**-**	**(18,400,000)**	**-**	**1,604,616**	**-**	**(59,759,614)**
Equipment Purchase[15]	WiVision (RMB)	Payments (P4)	-	-	-	-	-	-	(40,245,017)	(40,245,017)
		Repayments (R4)	-	-	-	-	-	-	1,500,000	1,500,000

[13] A total of RMB 18,403,300 was received from Mr. Wang in WiVision's bank account between May 2019 to June 2019.

[14] A total of RMB 1,390,000 was received from XJZT in WiVision's bank account between May 2019 to July 2020.

[15] Based on the Company's FY2020 Annual Report Note 13, WiVision had signed contracts with ZLST on 15 April 2020 to acquire networking hardware and software for a total consideration of RMB 66,400,000 (HKD 77,150,000) including value added tax. On 21 January 2021, WiVision entered into a termination agreement with ZLST to terminate the agreement to acquire the remaining networking hardware and software, and both parties agreed to waive the remaining obligations in the purchase agreement of RMB25,945,000 (HKD 29,951,000) including value-added tax. As such, it would appear that the payments made by WiVision for equipment purchase up to date of termination amounted to RMB 40,455,000 (HKD 47,199,000), differ from RMB 40,245,017 reflected in the journal entries of WiVision.

Nature	NutryFarm Entities		Counterparties							
			Mr. Wang	Ms. Feng	Mr. Wang Xiaotong	GM[11]	SYT[12]	XJZT	ZLST	Total
		Net (N4=P4+R4)	-	-	-	-	-	-	(38,745,017)	(38,745,017)
	WiVision (HKD, converted @ RMB 1 = HKD 1.1544)	Payments (P5)	-	-	-	-	-	-	(46,458,848)	(46,458,848)
		Repayments (R5)	-	-	-	-	-	-	1,731,600	1,731,600
		Net (N5=P5+R5)	-	-	-	-	-	-	(44,727,248)	(44,727,248)
Nature not known	WiVision (RMB)	Payments (P6)	-	(1,370,000)	(300,000)	-	(4,010,500)	-	-	(5,680,500)
		Repayments (R6)	-	1,644,908	300,000	-	4,010,500	-	-	5,955,408
		Net (N6=P6+R6)	-	274,908	-	-	-	-	-	274,908
	WiVision (HKD, converted @ RMB 1 = HKD 1.1544)	Payments (P7)	-	(1,581,528)	(346,320)	-	(4,629,721)	-	-	(6,557,569)
		Repayments (R7)	-	1,898,882	346,320	-	4,629,721	-	-	6,874,923
		Net (N7=P7+R7)	-	317,354	-	-	-	-	-	317,354
Overview	LVHK (HKD)	Payments (P1)	(42,880,000)	(31,300,000)	-	(21,200,000)	-	-	-	(95,380,000)
		Repayments (R1)	3,451,000	6,520,000	-	2,800,000	-	-	-	12,771,000

Nature	NutryFarm Entities		Counterparties							
			Mr. Wang	Ms. Feng	Mr. Wang Xiaotong	GM[11]	SYT[12]	XJZT	ZLST	Total
		Net (N1)	**(39,429,000)**	**(24,780,000)**	**-**	**(18,400,000)**	**-**	**-**	**-**	**(82,609,000)**
	WiVision (RMB)	Payments (P8=P2+P4+P6)	-	(1,370,000)	(300,000)	-	(4,010,500)	(160,000)	(40,245,017)	(46,085,517)
		Repayments (R8=R2+R4+R6)	18,403,300	1,644,908	300,000	-	4,010,500	1,550,000	1,500,000	27,408,708
		Net (N8=P8+R8)	**18,403,300**	**274,908**	**-**	**-**	**-**	**1,390,000**	**(38,745,017)**	**(18,676,809)**
	WiVision (HKD, converted @ RMB 1 = HKD 1.1544)	Payments (P9)	-	(1,581,528)	(346,320)	-	(4,629,721)	(184,704)	(46,458,848)	(53,201,121)
		Repayments (R9)	21,244,770	1,898,882	346,320	-	4,629,721	1,789,320	1,731,600	31,640,613
		Net (N9=P9+R9)	**21,244,770**	**317,354**	**-**	**-**	**-**	**1,604,616**	**(44,727,248)**	**(21,560,508)**
	Total (HKD)	Payments (P10=P1+P9)	(42,880,000)	(32,881,528)	(346,320)	(21,200,000)	(4,629,721)	(184,704)	(46,458,848)	(148,581,121)
		Repayments (R10=R1+R9))	24,695,770	8,418,882	346,320	2,800,000	4,629,721	1,789,320	1,731,600	44,411,613
		Net (N10=P10+R10)	**(18,184,230)**	**(24,462,646)**	**-**	**(18,400,000)**	**-**	**1,604,616**	**(44,727,248)**	**(104,169,508)**

2.5. Payments/ repayments in connection with the First and Second Proposed Acquisitions as recorded in LVHK's general ledger and WiVision's journal entries

2.5.1. Based on the general ledger of LVHK, journal entries of WiVision, and limited available bank statements of both LVHK and WiVision, the payments and repayments between 27 April 2017 to 31 March 2022 are set out below.

2.5.2. As we will elaborate on below, most of these payments were made prior to the Company's announcement of the First Proposed Acquisition on 15 March 2018. The earlier payments appear to be made pursuant to the Loan Agreement dated 15 June 2017, which was entered into in contemplation of the First Proposed Acquisition. The Company subsequently described or reclassified these payments as "Refundable Deposit" in connection with the First Proposed Acquisition. For convenience, we shall refer to payments which the Company has ascribed as being in contemplation of and/or in connection with the First Proposed Acquisition as "Refundable Deposit".

Disbursement/ Repayment dates of funds	Mr. Wang HKD	Ms. Feng HKD	GM HKD	XJZT HKD	Total HKD	Paragraph reference
27 April 2017 – 8 June 2017 in LVHK (A) Funds disbursed prior to signing of a 15 June 2017 Loan Agreement with Mr. Wang	(7,700,000)	(400,000)	-	-	(8,100,000)	**1.7-A.2.2(a)**
15 June 2017 in LVHK (B) Loan Agreement entered into between LVHK and Mr. Wang where LVHK agreed to provide RMB 77 million working capital loan to Mr. Wang over a one-year loan period of 1 July 2017 to 30 June 2018	-	-	-	-	-	**1.7-A.2.2(bi)**
16 June 2017 in LVHK (C) Funds disbursed prior to commencement of Loan period	(5,000,000)	-	-	-	(5,000,000)	**1.7-A.2.2(bii)**

Disbursement/ Repayment dates of funds	Mr. Wang HKD	Ms. Feng HKD	GM HKD	XJZT HKD	Total HKD	Paragraph reference
1 July 2017 – 15 March 2018 in LVHK (D) Funds disbursed from start of Loan period until the 15 March 2018 announcement regarding the First Proposed Acquisition	(18,500,000)	(15,900,000)	(9,200,000)	-	(43,600,000)	
1 July 2017 – 15 March 2018 in LVHK (E) Repayments	-	500,000	2,800,000	-	3,300,000	**Note 1**
Total Refundable Deposit disbursed by 15 March 2018 Company's announcement on First Proposed Acquisition (F=A+B+C+D+E)	**(31,200,000)**	**(15,800,000)**	**(6,400,000)**	**-**	**(53,400,000)**	**1.7-A.2.1 1.7-A.2.2(bii) 1.7-A-8.2**
15 March 2018 - 30 June 2018 in LVHK (G) Funds disbursed from 15 March 2018 up to end of Loan period of 30 June 2018.	(4,000,000)	(12,000,000)	(6,000,000)	-	(22,000,000)	
1 July 2018 – 24 July 2018 in LVHK (H) Funds disbursed after the Loan period	(7,000,000)	(3,000,000)	(6,000,000)	-	(16,000,000)	
Total Refundable Deposits that had been disbursed by LVHK as of 23 August 2018 Board Resolution (I=F+G+H)	**(42,200,000)**	**(30,800,000)**	**(18,400,000)**	**-**	**(91,400,000)**	**1.7-A 2.2(c) 1.7-A 2.2(di) 1.7-A.7.4**
29 April 2019 – 17 December 2019 in LVHK (J) Repayments	-	6,020,000	-	-	6,020,000	**1.7-A.6.1 1.7-A.7.6 1.7-A-7.7 (a) Note 1**
Outstanding Refundable Deposits in LVHK's general ledger as of 30 September 2020 (K=I+J)	**(42,200,000)**	**(24,780,000)**	**(18,400,000)**	**-**	**(85,380,000)**	
Net Repayments received by WiVision between 31 May 2019 to 27 July 2020 (L)	**21,244,770**			**1,604,616**	**22,849,386**	**1.7-A.6.1**

Disbursement/ Repayment dates of funds	Mr. Wang HKD	Ms. Feng HKD	GM HKD	XJZT HKD	Total HKD	Paragraph reference
	(RMB 18,403,300 converted at RMB1=HKD1.1544[16])			**(RMB 1,390,000 converted at RMB1=HKD1.1544)**	**(RMB19,793,300 converted at RMB 1=HKD1.1544)**	
Total Refundable Deposits as of 30 September 2020 (M=K+L)	**(20,955,230)**	**(24,780,000)**	**(18,400,000)**	**1,604,616**	**62,530,614**	
18 January 2021 – 29 April 2021 in LVHK (N) Repayments	3,451,000	-	-	-	3,451,000	**1.7-A.6.1 1.7-A.7.6 1.7-A-7.7 (a) Note 1**
18 January 2021 – 29 April 2021 in LVHK (O) Cheque returned to Mr. Wang	(680,000)	-	-	-	(680,000)	**1.7-A.6.1 1.7-A.7.6 1.7-A-7.7 (a)**
Outstanding Refundable Deposits in LVHK's general ledger as of 31 March 2022 (P=K+N+O) (No repayments subsequent to 29 April 2021)	**(39,429,000)**	**(24,780,000)**	**(18,400,000)**	**-**	**(82,609,000)**	
Net Repayments in WiVision's books up to 31 March 2022 (same as L)	**21,244,770 (RMB 18,403,300 converted at RMB1=HKD1.1544[17])**	**-**	**-**	**1,604,616 (RMB 1,390,000 converted at RMB1=HKD1.1544)**	**22,849,386 (RMB19,793,300 converted at RMB 1=HKD1.1544)**	
Total Refundable Deposit as of 31 March 2022 (Q=P+L)	**(18,184,230)**	**(24,780,000)**	**(18,400,000)**	**1,604,616**	**(59,759,614)**	

Note 1: Total repayments = E+J+N = HKD 12,771,000

[16] Exchange rate of RMB1=HKD1.1544 is based on the Company's FY2020 balance sheet exchange rates.
[17] Exchange rate of RMB1=HKD1.1544 is based on the Company's FY2020 balance sheet exchange rates. We do not have the applicable exchange rates used by the Company for conversion of its balance sheet figures for quarter ended 31 March 2022.

2.6. Transactions with Chengdu Meili Tianyuan Agriculture Co., Ltd ("MLTY")

2.6.1. Based on NutryFarm (Chengdu) Biomedicine Ltd's ("**NFC**") records, transactions with MLTY were as follows:

Disbursement/ Repayment dates of funds	Total RMB (rounded to nearest dollar)	Paragraph reference
30 March 2010 to 16 March 2011 (NFC was sole shareholder of MLTY)		
Loans/ Advances to MLTY (A)	1,750,000	
Sale transactions with MLTY (B)	13,222	Note 1
Due from MLTY as of 16 March 2011 (C=A+B)	**1,763,222**	
17 March 2011 to 9 May 2012 (NFC transferred its shares in MLTY)		
Loans/ Advances to MLTY (D)	1,125,000	
Due from MLTY as of 9 May 2012 (E=C+D)	**2,888,222**	
10 May 2012 to 29 June 2016 (NFC 55% owned by NutryFarm Group)		
Loans/ Advances to MLTY (F)	74,359,500	
Repayment of loans/ advances from MLTY (G)	(72,484,500)	
Sales/ Sales credit transactions with MLTY (H)	700	Note 1
Sales payment/ Credit refund (I)	(13,922)	
Due from MLTY as of 29 June 2016 (J=E+F+G+H+I)	**4,750,000**	
30 June 2016[18] to 31 March 2019(NFC as wholly owned subsidiary of NutryFarm Group from 30 June 2016)		
Loans/ Advances to MLTY (K)	40,500,000	
Repayment of loans/ advances from MLTY (L)	(38,250,000)	
Sale transactions with MLTY (M)	3,000	Note 1
RMB 13 million loan from MLTY (N)	13,000,000	
Repayment of RMB 13 million loan to MLTY (O)	(13,000,000)	
Due from MLTY as of 31 March 2019 (P=J+K+L+M+N+O)	**7,003,000**	
31 March 2019 to 31 March 2021 (Loan period of 31 March 2019 Loan Agreements signed with MLTY)		
Loans to MLTY (Q)	46,890,000	
Repayment of loans from MLTY (R)	(25,123,000)	
Due from MLTY as of 31 March 2021 (S=P+Q+R)	**28,770,000**	
1 April 2021 to 30 September 2021 (After expiry of loan period)		
Repayment of loans from MLTY (T)	(10,715,000)	
Due from MLTY as of 30 September 2021 (U=S+T)	**18,055,000**	1.7-C.4.1

Note 1: Net sales with MLTY between July 2010 to October 2018 = RMB 16,922

[18] Based on the Company's 15 February 2016 announcement on SGXNet, NutryFarm Biomedicine International Limited and NFC became fully owned subsidiaries of the NutryFarm Group effective from 30 June 2016.

2.7. Overview of observations

2.7.1. An overview of FTI's objectives directed by SGX RegCo, observations for the Transactions and potential contraventions of the applicable listing rules, laws and regulations, and internal control weaknesses are set out in the following table. This should be read in conjunction with the glossary, disclaimers, limitations, and details of the report referenced herein.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
1.	To ascertain and report whether the key management and/or the Board conducted due diligence (business, financial and legal) in relation to the proposed acquisition.	1.1. Yes, the Company conducted financial and legal due diligence, as well as an independent valuation on the Proposed Acquisition of First Linkage as follows: (a) The Company appointed Baker Tilly Hong Kong ("**BTHK**") on 6 December 2017 to conduct a financial due diligence on Beijing Shengyuantong Science and Technology Development Co., Ltd ("**SYT**") and its wholly owned subsidiary XJZT, and to examine the profit forecast and profit projections of ZLST. BTHK's financial due diligence report on SYT and XJZT was issued on 12 March 2018 and a letter on the examination of profit forecast and profit projection of ZLST was issued on 15 March 2018.	

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		(b) WiVision, a subsidiary of the Company, appointed Beijing Tian Yuan Law Firm ("**Tian Yuan**") on 1 November 2017 to perform legal due diligence on SYT, XJZT and ZLST. Tian Yuan's due diligence report was issued on 15 March 2018. (c) The Company appointed RSM Corporate Advisory Pte Limited ("**RSMCA**") on 9 February 2018 to estimate the indicative fair market value ("**FMV**") of 45% of First Linkage Inc's share capital. RSMCA's valuation was based on the profit forecast and projection of ZLST which was in turn dependent on the profit forecast/projection of SYT Group. RSMCA's independent valuation report was issued on 15 March 2018, and estimated the FMV of 45% of FL Group's share capital to be in the range of RMB 79.7 million to 93.7 million.	
	1.2.	There were due diligence findings/issues flagged out by BTHK and Tian Yuan in respect of SYT Group, for which recommended actions included the incorporation of these factors into the purchase consideration, and rectification by	

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		SYT group and/or for the beneficial owners of SYT Group to undertake all liabilities and losses arising therefrom. These findings included: a) Reclassification of financial statements, potential non-recoverability of trade and non-trade receivables; b) Non-provision of income taxes, understatement of assets; and c) Potential penalties arising from non-registration of property lease agreements, non-registration of branches in cities where SYT operates, non-registration of social insurance and housing accumulation funds, and non-registration of foreign direct investment by Mr. Wang and ZLST in respect of First Linkage.	
		1.3. The intended target of the First Proposed Acquisition was SYT. However, given that SYT is a licensed Internet Service Provider ("**ISP**") in the PRC, there are restrictions on foreign ownership of SYT.	
		1.4. Hence, a Variable Interest Entity ("**VIE**") structure had to be adopted whereby the Company would acquire First Linkage Group (comprising of First Linkage Inc, First Linkage HK and	

A. First Proposed Acquisition				
S/N	**Objectives directed by SGX RegCo**		**Observations**	**Comments**
			ZLST), and VIE agreements were signed between ZLST and SYT to confer control by NutryFarm over SYT and to extract economic benefits from SYT.	
2.	To ascertain and report whether the key management and/or the Board considered the potential benefits and risks associated with the proposed acquisitions and the payment and recovery arrangement for the Refundable Deposit.	2.1.	Yes, the Board considered the potential benefits and risks associated with the proposed acquisition, as well as the payment and recovery arrangement for the Refundable Deposit as detailed in Paragraphs 1.7-A.2.4 and 1.7-A.2.5 below. However, substantial funds amounting to HKD 53.4 million[19] were transferred to the Vendor, Mr. Wang, and his nominees, before the Deed of Sale and Purchase dated 15 March 2018 ("**S&P Deed**") was executed, and prior to completion of the First Proposed Acquisition.	
		2.2.	We note that the following were not addressed at the time when the event took place:	

[19] The aforementioned HKD 53.4 million was per LVHK's general ledger and does not include net amount of RMB 269,500 (payments of RMB 600,000 less repayments of RMB 330,500) disbursed to Ms. Feng, Mr. Wang Xiaotong and SYT between 28 March to 31 May 2017 by WiVision. The Company is unable to advise on the specific nature of these payments/ repayments recorded in the journal entries of WiVision.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		(a) Disbursing funds to Mr. Wang in connection with the First Proposed Acquisition without a written agreement in place i) Between 27 April 2017 to 8 June 2017, HKD 8.1 million[20] was disbursed to Mr. Wang and Ms. Feng Jiachen[21] ("**Ms. Feng**"). The bank payments were approved by Mr. Paul Gao and Mr. Andy Xu[22] and were recorded in the general ledger of LVHK as "Prepayment for acquisition of ZLST". **(b) Entering into a loan agreement with Mr. Wang prior to due diligence and independent valuation by professional advisors**	Potential breaches of Mainboard Rule 703(4)(a) read with paragraphs 8(k) and 25(a) of Appendix 7.1 of the Corporate Disclosure Policy[43], which prescribes that an issuer must provide timely disclosure of all material information, including the provision of any significant amount of financial assistance and that the contents of any public announcement must be factual, clear and succinct. Mainboard Rule 1006(a) read with Mainboard Rule 1014 provides for disclosure of major transactions[44].

[20] The aforementioned HKD 8.1 million does not include net amount of RMB 269,500 (payments of RMB 600,000 less repayments of RMB 330,500) disbursed to Ms. Feng, Mr. Wang Xiaotong and SYT between 28 March to 31 May 2017 by WiVision. The Company is unable to advise on the specific nature of these payments/ repayments recorded in the journal entries of WiVision.

[21] Based on the Refundable Deposit Confirmation Letter dated 15 January 2021, Mr. Wang confirmed that Ms. Feng had received monies on his behalf in respect of the Proposed Acquisition.

[22] Based on interviews conducted with Mr. Paul Gao and Mr. Andy Xu.

[43] Provision of a significant amount of financial assistance was included in Appendix 7.1 Corporate Disclosure Policy under the Mainboard Rules with effect from 7 February 2020.

[44] Provision of financial assistance was included as a transaction defined under Chapter 10 of the Mainboard Rules with effect from 7 February 2020.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		i) After the disbursement of HKD 8.1 million to Mr. Wang and Ms. Feng, a loan agreement dated 15 June 2017 (the "**15 June 2017 Loan Agreement**") was entered into, pursuant to which, LVHK was to provide an interest-free working capital loan of up to RMB 77 million to Mr. Wang for a year from 1 July 2017 to 30 June 2018. This was to enable LVHK and NutryFarm to acquire a 45% equity interest in SYT, and for LVHK to develop internet projects with Mr. Wang and his subsidiaries. ii) An amount of HKD 13.1 million had already been disbursed prior to commencement of the loan period (i.e. HKD 8.1 million prior to signing of 15 June 2017 Loan Agreement and HKD 5 million on 16 June 2017 prior to loan commencement date) and by 15 March 2018, a net amount of HKD 53.4 million[23] had been disbursed. As mentioned in	The Company failed to make any public disclosure in relation to the "Prepayment for acquisition of ZLST", the 15 June 2017 Loan Agreement or sums disbursed pursuant thereto, until its announcement on 3 December 2019 that HKD 91.4 million of "refundable deposit" had already been advanced to the Vendor. The loan amounted to approximately 67% of NutryFarm Group's net assets of HKD 135,095,000 as of 31 March 2017 (based on latest announced financial results on SGXNet on 29 May 2017). Potential breach of Mainboard Rule 719(1), which requires an issuer to have adequate and effective systems

[23] The aforementioned HKD 53.4 million does not include net amount of RMB 269,500 (payments of RMB 600,000 less repayments of RMB 330,500) disbursed to Ms. Feng, Mr. Wang Xiaotong and SYT between 28 March to 31 May 2017 by WiVision. The Company is unable to advise on the specific nature of payments/ repayments recorded in the journal entries of WiVision.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		Paragraph 1.7-A.1.1, the Company appointed professional advisors to perform due diligence and an independent valuation of the First Proposed Acquisition in November/ December 2017. iii) According to Mr. Xu Haimin and Mr. Neo Chee Beng, the Board had considered various matters, including reviewing SYT's financials and profit forecasts before 2017, in evaluating whether the First Proposed Acquisition was viable. However, we were not provided with documentary evidence of the internal evaluation performed by Mr. Paul Gao.	of internal controls (including financial, operational, compliance and information technology controls) and risk management systems. HKD 53.4 million had already been paid to the Vendor, Mr. Wang as of 15 March 2018 before the due diligence reports were issued .
	(c)	**Disbursing funds after the loan period expiry of the 15 June 2017 Loan Agreement (i.e., 30 June 2018)** i) Further disbursement of funds in connection with the First Proposed Acquisition continued up to 24 July 2018, i.e. beyond the 15 June 2017 Loan Agreement expiry date of 30 June 2018. By	Potential breach of Mainboard Rule 719(1): Funds were disbursed up to 24 July 2018, even though the loan period expiry date of the 15 June 2017 Loan Agreement was 30 June 2018, and there is no evidence that the loan agreement was extended.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		24 July 2018, a net amount of HKD 91.4 million[24] had been disbursed.	
		(d) Disbursing funds to Ms. Feng and Grand Majestic Holdings Ltd ("GM") even though they were not parties to the 15 June 2017 Loan Agreement i) During the period 27 April 2017 to 24 July 2018, funds which were disbursed under the 15 June 2017 Loan Agreement and/or the S&P Deed (i.e., HKD 91.4 million) were not all paid directly to the Vendor, Mr. Wang. Instead, HKD 30.8 million was paid to Ms. Feng and HKD 18.4 million to a British Virgin Islands ("**BVI**") Company GM, supposedly at the request of Mr. Wang[25]. Ms. Feng and GM were not parties to the 15 June 2017 Loan Agreement or the First Proposed Acquisition. The remaining disbursed funds,	Potential breach of Mainboard Rule 719(1): Substantial funds were disbursed to Ms. Feng and GM, even though they were unknown third parties at the material time, and did not acknowledge receipt of the payments at the material time. NutryFarm's investment and loan policies were inadequate to address any compliance risks relating to investments and loans undertaken/ granted by NutryFarm.

[24] The aforementioned HKD 91.4 million does not include net repayment amount of RMB 80,000 (payments of RMB 5,650,500 less repayments of RMB 5,730,500) received from Ms. Feng, Mr. Wang Xiaotong and SYT between 28 March 2017 to 2 May 2018 by WiVision. The Company is unable to advise on the specific nature of these payments/ repayments recorded in the journal entries of WiVision.

[25] Based on our interview with Mr. Paul Gao on 22 February 2022, Mr. Paul Gao did not specify whether the request from Mr. Wang was written or verbal.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		amounting to HKD 42.2 million was made to Mr. Wang.[26]	
		ii) In the Refundable Deposit Confirmation letter dated 15 January 2021[27], Mr. Wang confirmed that Ms. Feng and GM had received RMB 25,643,610 (~HKD 30,928,758 translated at 1 January 2021 exchange rate of RMB1=HKD1.2061 as published on Yahoo Finance) and RMB 15,652,710 (~HKD 18,878,734 translated at 1 January 2021 exchange rate of RMB1=HKD1.2061 as published on Yahoo Finance) on his behalf. Mr. Wang signed off on	

[26] Based on LVHK's general ledger, HKD 91.4 million paid in connection with the First Proposed Acquisition comprised HKD 30.8 million paid to Ms. Feng, HKD 18.4 million to GM and HKD 42.2 million to Mr. Wang by LVHK. These amounts do not include net repayment amounts of RMB 80,000 (payments of RMB 5,650,500 less repayments of RMB 5,730,500) received from Ms. Feng, Mr. Wang Xiaotong and SYT between 28 March 2017 to 2 May 2018 by WiVision. The Company is unable to advise on the specific nature of such payments/ repayments recorded in the journal entries of WiVision.

[27] Based on the 15 January 2021 Refundable Deposit Confirmation letter, a total of RMB 77,249,979 was paid in connection with the First Proposed Acquisition. In the Company's FY2019 Annual Report, Note 20 stated that the Refundable Deposits as of 31 March 2019 amounted to HKD 89,757,000 (RMB77,250,000). Based on LVHK's and WiVision's books, the balance as of 31 March 2019 showed 91.4 million. The Company is unable to advise on the discrepancy of HKD 1,643,000 between that disclosed in the FY2019 Annual Report and the LVHK/WiVision's books.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		the aforementioned letter as the Director of GM. We also understand from Mr. Paul Gao that Ms. Feng was Mr. Wang's employee; our corporate search results also revealed that Ms. Feng was the supervisor of ZLST, an entity owned by Mr. Wang.	
		(e) Borrowing costs of 3.5% - 7.4% were not taken into consideration prior to entering into the 15 June 2017 interest-free Loan Agreement	
		i) The funds disbursed in connection with the First Proposed Acquisition took place prior to the Completion of the acquisition transaction. These prepayments were mostly funded by third-party loans[28] which NutryFarm borrowed from New Star and Corpbond. These third-party loans were at interest rates of 3.5% - 7.4% per annum from New Star and Corpbond, with an additional	

[28] Based on 27 March, 5 May and 16 August 2017 loan agreements with New Star, interest rates were either at 3.5 % or 7.4% per annum. Based on the 30 October 2017 loan agreement with Corpbond, the interest rate was at 6.25% per annum, with a 3.5% arranger fee deductible upon drawdown.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		arranger fee of 3.5% deductible upon drawdown under the loan agreement with Corpbond. ii) However, the loans provided under the 15 June 2017 Loan Agreement with Mr. Wang were interest-free. iii) This resulted in the Company incurring additional interest costs for prepayments made to the vendor prior to the Completion Date. Interest on the outstanding amounts from Mr. Wang were subsequently negotiated under the 30 September 2021 Repayment Agreement.[29] 2.3. We were informed that the Board took into consideration the following matters in approving the Proposed Acquisition and the payments for the Refundable Deposit:	

[29] Under the 30 September 2021 Repayment Agreement entered between LIML and Mr. Wang, Mr. Wang agreed to return the Company RMB 60 million (including interest) in settlement of the remaining Refundable Deposits of RMB 53,686,689. Based on a Board paper dated 29 September 2021, it was stated that the Company had considered requesting collateral for the outstanding refundable deposits but was unsuccessful.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		(a) The Company's nutrition business had not been performing well since 2015, and the Board tasked Mr. Paul Gao to source for new opportunities to improve the profitability of NutryFarm Group. (b) The acquisition of SYT was considered viable and would be at a steep discount for ISP companies.[30] The internet business in PRC was booming in or around 2016 as consumers' demand for video streaming increased. Another ISP, Shanghai Yingyue Network Technology Co., Ltd (上海莹悦网络科技有限公司) ("**Ying Yue**"), which was a competitor of SYT was acquired by a listed company, Gosun Holding Co., Ltd (高升控股股份有限公司), for RMB 1.15 billion in 2016 for 100% of its equity interest.[31] (c) The funds disbursed to Mr. Wang were intended to facilitate his purchase of equipment and upgrade his	

[30] Based on interview with Mr. Neo Chee Beng.

[31] Based on interview with Mr. Paul Gao. The acquisition of Ying Yue by Gosun at RMB 1.15 billion was further confirmed via internet searches http://finance.china.com.cn/roll/20151218/3504519.shtml

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		equipment, fund the setting up of data centers and expand his business. The funds were also to enable NutryFarm to secure the acquisition deal and prevent Mr. Wang from collaborating with other parties in relation to SYT.[32] Mr. Wang required funding before the proposed acquisition. While we understand from Mr. Jimmy Ng, Mr. Neo Chee Beng and Mr. Xu Haimin that they were aware of the 15 June 2017 Loan Agreement, since Mr. Paul Gao would verbally notify the Directors as and when amounts are disbursed to Mr. Wang, it was not made known to these independent directors that part of the RMB 77 million had already been disbursed prior to the signing of the loan agreement.	
		(d) The Board was confident that the internet business through the First Proposed Acquisition would provide good returns, which would cover the interest costs from providing Mr. Wang with the interest-free loan.[33]	

[32] Based on interview with Mr. Paul Gao.
[33] Based on interview with Mr. Neo Chee Beng.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		However, we were not provided with documentary evidence corroborating the Board's cost-benefit analysis performed on the returns from the acquisition versus the interest costs. (e) The matters discussed at Paragraphs 1.7-A.2.3 (a), (b), (c) and (d) above were shared verbally by Mr. Jimmy Ng, Mr. Neo Chee Beng, Mr. Xu Haimin, Mr. Paul Gao, and Mr. Andy Xu during interviews with FTI. However, we were not provided with any documentary evidence to substantiate their positions. 2.4. Based on the documents reviewed and interviews we have conducted, we noted the following measures were undertaken to address the risks associated with the First Proposed Acquisition payment of loans/funds to Mr. Wang and recovery loans/funds: (a) Mrs. Li Chunling was appointed as Executive Director of the Company effective from 10 March 2017. She had knowledge of the internet industry and held	

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		senior management positions in various multinational companies in the telecommunications industry.[34]	
		(b) 45% of SYT shares were pledged by Mr. Wang as collateral under the 15 June 2017 Loan Agreement.[35] In the event the First Proposed Acquisition did not complete and Mr. Wang defaulted on the repayment, NutryFarm's Board intended for Directors who were Chinese nationals to take over ownership of the SYT shares in trust for NutryFarm, and eventually sell off those shares to recover the loan.[36]	
		(c) Mr. Xu Haimin, a nominee of NutryFarm, was appointed as the legal representative, manager and executive director of ZLST and SYT in September 2018 to prevent the Vendor, Mr. Wang, from collaborating with other parties after receiving funds from NutryFarm.[37]	

[34] Based on 12 March 2017 announcement on SGXNet and interview with Mr. Paul Gao.
[35] Based on the signed copy of the 15 June 2017 Loan Agreement.
[36] Based on interview with Mr. Neo Chee Beng.
[37] Based on interview with Mr. Xu Haimin. Company searches performed on ZLST and SYT also confirmed Mr. Xu Haimin's appointment.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		(d) A Default Put Option, Default Call Option, and Profit Guarantee were negotiated and included in S&P Deed and Shareholders Agreement signed for the First Proposed Acquisition.[38]	
		(e) An Equity Interest Pledge Agreement[39] was put in place, whereby the shareholders of SYT unconditionally and irrevocably pledged their equity interests in SYT to ZLST as security for the performance of the obligations by SYT and its subsidiaries and shareholders under the other VIE Agreements.	
		(f) Mr. Wang, Mr. Wang Xiaotong and SYT executed Powers of Attorneys which authorised ZLST or its designated representative(s) to act on their behalf on all matters relating to SYT and its affairs in the absolute	

[38] Based on the Company's Draft Circular to Shareholders which was submitted to SGX on 21 November 2018.
[39] Based on the Company's 15 March 2018 and 20 July 2018 announcement, the Equity Interest Pledge Agreement was initially signed on 15 March 2018. Following transfer of 1% equity interest by SYT's shareholder Mr. Wang Bo to Mr. Wang Xiaotong, an Amended and Restated Equity Interest Agreement was signed on 9 May 2018.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		discretion of ZLST or its designated representative(s).[40] (g) The Company subsequently negotiated for Mr. Wang to pay interest on the "Refundable Deposits". Pursuant to the 30 September 2021 Repayment Agreement, RMB 60 million including interest was payable under the repayment schedule, in settlement of the remaining Refundable Deposits of RMB 53,686,789. 2.5. We also noted the Company's Draft Circular to Shareholders submitted to SGX on 4 June 2018 and 21 November 2018, included further safeguards which were intended to be put in place for the First Proposed Acquisition: (a) The Vendor, Mr. Wang, would enter into a SYT Share Sale and Purchase Agreement with Mr. Xu Haimin to transfer the Vendor's 45% equity interest in SYT to Mr.	

[40] Based on the Company's 15 March and 20 July 2018 announcements, the POA by Mr. Wang, Mr. Wang Bo and SYT were initially signed on 15 March 2018. Following transfer of 1% equity interest by SYT's shareholder Mr. Wang Bo to Mr. Wang Xiaotong, the 2nd POA from Mr. Wang, Mr. Wang Xiaotong and SYT were signed on 9 May 2018.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		Xu Haimin as a conditional precedent to and concurrently with Completion and Mr. Xu Haimin was to execute a Trust Deed in relation to SYT shares held on behalf of NutryFarm. Such a transfer to Mr. Xu Haimin was intended to give the Company indirect control, through Mr. Xu Haimin, of 45% of the equity interests of SYT.[41]	
		(b) The Vendor would enter into the First Linkage Share Transfer Undertaking Deed to transfer 55% equity interest in First Linkage to Mr. Xu Haimin who would hold such interest on behalf of the Vendor. The shares would then be held by Mr. Xu Haimin for three years from the Completion date. If all Transaction Documents were valid, binding, and enforceable with no actual or potential risks, Mr. Xu Haimin would	

[41] Based on an email dated 17 May 2018 and titled "Re: Supplemental Deed to the SHA – proposed acquisition of company by NutryFarm" and an email dated 24 May 2018 and titled "Valuation report" between Tian Yuan, Lee & Lee, Mr. Andy Xu and Mr. Paul Gao, the draft Deed of Additional Undertakings, draft Supplemental Deed and draft First Linkage Undertaking Deed were attached, which mentioned the proposed transfer of 45% equity interest in SYT to Mr. Xu Haimin and transfer of 55% equity interest in First Linkage in favour of NutryFarm .

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		transfer the 55% equity interest in First Linkage back to the Vendor for a consideration of S$1.00.[42]	
		2.6. However, the measures above were not undertaken, following rejection of the First Proposed Acquisition by SGX RegCo in February 2019.	
3.	To ascertain and report whether the key management and/or the Board considered the interests of the Company and/or its shareholders when deciding to enter into the proposed acquisition and on the payment and recovery	3.1. Based on the matters which the Board took into account in point 2 above, including the safeguards and measures which the Board had proposed to put in place, it would appear that the Board had taken into consideration the interests of the Company and/or its shareholders when deciding to enter the First Proposed Acquisition.	

[42] Based on an email dated 17 May 2018 and titled "Re: Supplemental Deed to the SHA – proposed acquisition of company by NutryFarm" and an email dated 24 May 2018 and titled "Valuation report" between Tian Yuan, Lee & Lee, Mr. Andy Xu and Mr. Paul Gao, the draft Deed of Additional Undertakings, draft Supplemental Deed and draft First Linkage Undertaking Deed were attached, which mentioned the Vendor's transfer of 45% equity interest in SYT to Mr. Xu Haimin and transfer of 55% equity interest in First Linkage in favour of NutryFarm .

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
	arrangement for the Refundable Deposit.	3.2. However, the Company advanced an aggregate sum of RMB 77,249,989 [45] (HKD 89,757,000) [46] of the acquisition consideration to Mr. Wang prior to the Completion of the First Proposed Acquisition. Further, this sum was in excess of the RMB 67.5 million which would have been payable to Mr. Wang on Completion i.e., after deducting the sum of RMB 22.5 million from the purchase consideration of RMB 90 million, which was to be retained until 80% of ZLST's profit target can be met for Financial Year Ended ("**FYE**") 31 March 2019 and 31 March 2020.	Potential breach of Mainboard Rule 719(1) which requires an issuer to have adequate and effective systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems: LIML was not legally obliged to and should not have procured LVHK to advance an aggregate sum of RMB 77,249,989 of the acquisition consideration to Mr. Wang (and his nominees) prior to the Completion of the First Proposed Acquisition. Further, this sum was in
		3.3. According to Mr. Paul Gao, in 2017, he sought advice from NutryFarm's two major shareholders Mrs. Jia Lijie and Mrs. Dong Xiangfei. Both shareholders supported the First Proposed Acquisition. However, we note that the payments	

[45] Based on 15 January 2021 Refundable Deposit Confirmation Letter.

[46] Based on the Company's FY2019 Annual Report Note 20, it was stated that the Refundable Deposits as of 31 March 2019 amounted to HKD 89,757,000 (RMB77,250,000). However, based on LVHK's general ledger, the net Refundable Deposit paid to Mr. Wang amounted to HKD 91.4 million. The Company is unable to advise on the reason for the HKD 1,643,000 difference between that reported in LVHK's general ledger and the FY2019 Annual Report. Based on WiVision's journal entries, there were net repayments of RMB 80,000 (payments of RMB 5,650,500 less repayments of RMB 5,730,500) received from Ms. Feng, Mr. Wang Xiaotong and SYT between 28 March 2017 to 2 May 2018 by WiVision. The Company is also unable to advise on the specific nature of such payments/ repayments recorded in WiVision's books.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		were made by the Company prior to SGX's approval of the acquisition.	excess of the sum of RMB 67.5 million payable on Completion.
4.	To ascertain and report on the escalation and approval process for the execution of the transaction.	4.1. We were provided with and reviewed the following NutryFarm's board resolutions in respect of the First Proposed Acquisition, and our observations are set out below: (a) A Board Resolution (undated) for the proposed acquisition of 45% of the share capital of First Linkage by LIML; (b) A Board Resolution dated 23 August 2018 to approve prepayment of approximately RMB 74.1 million to the Vendor, Mr. Wang, for the proposed acquisition of First Linkage and purchase of property, plant and equipment; (c) A Board Resolution dated 3 December 2019 for the approval of deed of termination in respect of the First Proposed Acquisition, and approval of the Deed of	Potential breach of Mainboard Rule 719(1), which requires an issuer to have adequate and effective systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems: Prepayments and loans, which the Company subsequently referred to as

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		Amendment and Set-off in respect of the Second Proposed Acquisition; and (d) A Board Resolution (undated) approving the Repayment Agreement with Mr. Wang and Equipment Refund Agreement with ZLST, after these agreements had been signed with the counterparties on 30 September 2021. Prior to this Board Resolution, an email dated 29 September 2021 that attached the draft Repayment Agreement and Equipment Refund Agreement was circulated for the Board for approval and authorization of a Company Director to execute the documents on behalf of LVHK and WiVision. 4.2. Out of the four Board Resolutions passed in connection to the First Proposed Acquisition, one of them was passed after the events had occurred, i.e., prepayments had already been made to Mr. Wang.	"Refundable Deposits" amounting to HKD 91.4 million[47] had already been advanced prior to this 23 August 2018 Board Resolution. There was also no Board Resolution to approve the payments which started from 27 April 2017 or the 15 June 2017 Loan Agreement. See Section 1.5 for timeline of the prepayment and repayments of the Refundable Deposits from 27 April 2017 to 31 March 2022.

[47] The aforementioned HKD 91.4 million is based on the amount recorded in LVHK's general ledger. This amount does not include net repayments of RMB 80,000 (payments of RMB 5,650,500 less repayments of RMB 5,730,500) received from Ms. Feng, Mr. Wang Xiaotong and SYT between 28 March 2017 to 2 May 2018 by WiVision. The Company is unable to advise on the specific nature of such payments/ repayments recorded in the journal entries of WiVision.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		4.3. There were no Board Resolutions approving the "Pre-Payments" to Mr. Wang which started from 27 April 2017, or the 15 June 2017 Loan Agreement.	
5.	To ascertain and report on whether there are any potential relationships between the Company's directors, key management, controlling shareholders and the directors, key management, shareholders, or key appointment holders in the counterparties of	5.1. Corporate searches conducted on the key management personnel, directors and controlling shareholders of NutryFarm and the counterparties showed that Mr. Paul Gao, Mr. Andy Xu, and Mr. Xu Haimin held roles or had shareholdings in common entities with Ms. Feng and Mr. Wang Xiaotong. However, they explained that they did not know Ms. Feng and Mr. Wang Xiaotong prior to the First Proposed Acquisition. 5.2. Results of the corporate searches[48] are as follows: **(a) Ms. Feng (individual who received the prepayments for acquisition on behalf of Mr. Wang), Mr. Paul Gao**	

[48] In respect of the company searches conducted on PRC companies, the company search results do not contain personal identification numbers of the individual shareholders, legal representatives, directors and management personnel. Hence, other than a match to the Chinese characters of the individual's names, we are unable to ascertain whether the person reflected in the company search results was indeed the NutryFarm/ NFC employee/Director.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
	the transaction (i.e., First Linkage), and assess if these individuals are independent parties in relation to the transaction.	**and Mr. Andy Xu held roles or had shareholdings in common entities** **i) Zhuhai Jufeng Technology Co., Ltd ("Zhuhai Jufeng")** - Ms. Feng was the legal representative, executive director and general manager of Zhuhai Jufeng from July 2014 to 8 April 2019. Prior to Ms. Feng's appointment, Mr. Paul Gao and Mr. Andy Xu held similar appointments in Zhuhai Jufeng. When Zhuhai Jufeng was de-registered on 8 April 2019, LVHK was the sole shareholder, Ms. Feng was the legal representative, executive director and general manager, while Mr. Andy Xu was the Supervisor. According to Mr. Paul Gao, he had sought Mr. Wang's assistance to help NutryFarm de-register this subsidiary in late 2017, and the change in legal representative to Ms. Feng should have occurred in late 2017, and not June 2014 as stated in the company search results. Mr. Andy Xu and Mr. Paul Gao both clarified that they did not know Ms. Feng prior to the First Proposed Acquisition.	

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		ii) Zhuhai Caitong Technology Co., Ltd ("Zhuhai Caitong") – Prior to Zhuhai Caitong's de-registration on 22 January 2019, an individual named "Feng Jiachen" (冯佳晨, same as Ms. Feng's Chinese name) was legal representative, manager, and executive director of Zhuhai Caitong. It was 100% owned by a "Gao Xiangnong" (高向农, same as Mr. Paul Gao's Chinese name). Mr. Paul Gao said he was never a shareholder in this company and was unable to advise why both his name and Ms. Feng's name appear together in this company.	
		iii) Zhongshan Morningstar Information Consulting Co., Ltd ("Morningstar") – Prior to its de-registration on 20 September 2017, individuals named "Feng Jiachen" and "Gao Xiangnong" were shareholders of Morningstar, holding 40% and 60% shareholding respectively. Mr. Paul Gao said he was never a shareholder in this company and	

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		was unable to advise why both his name and Ms. Feng's name appear together in this company. **(b) Mr. Xu Haimin and Mr. Wang Xiaotong held roles or had shareholdings in common entities** **i) Jinggangshan Tengyun Information Consulting Partnership (Limited Partnership) ("Tengyun")** - Mr. Xu Haimin and Mr. Wang Xiaotong (the 1% shareholder of SYT, whom we were informed is Mr. Wang's brother) were shareholders in Tengyun; Mr. Xu held a 3.92% shareholding since July 2016 while Wang Xiaotong held a 2.94% shareholding since June 2013. **ii) Tianjin Tonight Culture Club Co., Ltd ("Tonight Culture")** - Mr. Xu Haimin was the director while Mr. Wang Xiaotong was the legal representative and managing director of Tonight Culture before its business license was revoked on 15 November 2008.	

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		5.3. According to Mr. Xu Haimin, he did not know Mr. Wang Xiaotong prior to the First Proposed Acquisition. His roles and shareholdings in Tengyun and Tonight Culture arose from his previous employment in Beijing Guochuang Technology Co., Ltd ("**Guochuang**") in year 2000 as its Finance Director, where he got to know Mr. Wang Ling, founder of Guochuang. Mr. Wang Ling is an indirect shareholder of MLTY. 5.4. We have not been provided with information on the family members of NutryFarm's key management personnel and directors who were involved in the First Proposed Acquisition and as such are unable to determine whether there were any deemed conflicts arising from their family members. 5.5. Shareholders and directorship information on BVI companies such as First Linkage Inc and GM are not available.	

A. First Proposed Acquisition				
S/N	**Objectives directed by SGX RegCo**		**Observations**	**Comments**
6.	To ascertain and report on the Company's efforts and progress of the recovery of the Refundable Deposit up till the latest practicable date of this report.	6.1.	Following the 8 February 2019 rejection letter from SGX RegCo, the general ledger of LVHK and the journal entries of WiVision showed that there had been net repayments amounting to HKD 31,640,386 (i.e., HKD 8,791,000 in LVHK's books and RMB 19,793,300 [49] equivalent to HKD 22,849,386[50] in WiVision's books) received from Ms. Feng, Mr. Wang and XJZT. The last repayment from Mr. Wang was on 29 April 2021.	
		6.2.	On 3 December 2019, a Deed of Termination was signed between LIML, Mr. Wang and First Linkage to terminate the S&P Deed and the SHA. Under the Deed of Termination, the parties agreed to terminate the S&P Deed and the SHA, and further agreed to release and discharge each party from all claims and other actions arising from these agreements. Mr. Wang was to refund the refundable deposit of HKD 91.4 million to LVHK, without any interest thereon.	Potential Breaches of Mainboard Rule 103(5) which provides that the directors of issuers shall act in the best interests of shareholders as a whole, particularly where a director or substantial shareholder has a material interest in a transaction entered into by the issuer; and the Fiduciary

[49] RMB 19,793,300 does not include net repayment amounts of RMB 274,908 (RMB 1,644,908 repayments less RMB 1,370,000 payments) received from Ms. Feng between 28 March 2017 to 11 December 2021 by WiVision. The Company is unable to advise on the specific nature of such payments/ repayments recorded in the journal entries of WiVision.

[50] HKD 22,849,836 is derived by converting RMB19,793,300 at the Company's FY2020 balance sheet exchange rate of 1.1544.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		6.3. On the same day, 3 December 2019, a Deed of Amendment and Set-off was also signed to allow for the Remaining Refundable Deposit to be applied towards the Consideration Sum of RMB 50 million under the Second Proposed Acquisition, which was to be completed on the Completion Date of 30 June 2020.	Obligations require the directors to act honestly and in good faith, and exercise due care and diligence in the discharge of the duties of their office: By the Deed of Termination dated 3 December 2019, LIML agreed to release and discharge the other parties from all claims and other actions arising from the transaction documents relating to the First Proposed Acquisition, as well as all rights "*in connection with the transactions contemplated*" by the transaction documents. It is unclear but possible that the releases extended to measures put in place to protect LIML, including but not limited to the Amended and Restated VIE Agreement and Mr. Wang's pledge of 45% of his shares in SYT under the 15 June 2017 Loan Agreement, with no
		6.4. A Repayment Agreement dated 30 September 2021 was entered into between LIML and Mr. Wang, pursuant to which Mr. Wang agreed to return RMB 60 million (including interests) to the Company in settlement of the remaining Refundable Deposits of RMB 53,686,689 as of 30 September 2021. A repayment schedule was set out whereby Mr. Wang would pay RMB 7.5 million to NutryFarm's bank account on 30 October 2021, and the remaining RMB 52.5 million in seven tranches of RMB 7.5 million each over a period of three and half years (ending 31 March 2025). Based on a Board paper dated 29 September 2021, it was stated that the Company had considered requesting collateral on the outstanding refundable deposits but was unsuccessful.	

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		6.5. Safeguards for the recovery of the Refundable Deposits included the Amended and Restated VIE Agreements and Mr. Wang's pledge of 45% of his shares in SYT under the 15 June 2017 Loan Agreement. If these were not terminated by the Deed of Termination, steps should have been taken to ensure that these securities remained valid and binding. However, Mr. Wang ceased to be shareholder of SYT from 15 May 2020 onwards. 6.6. Further, Mr. Xu Haimin was appointed as legal representative and director of SYT, XJZT and ZLST to safeguard the interests of NutryFarm.[51] However, Mr. Xu Haimin ceased his appointments in SYT after 17 October	replacement safeguards in the form of security or collaterals. Potential Breaches of Mainboard Rule 103(5) and the Fiduciary Obligations: It is unclear whether the Directors[56] of NutryFarm exercised reasonable diligence in procuring additional security or other collateral arrangement to safeguard LIML's interests when LIML and Mr. Wang entered into the Repayment Agreement on 30 September 2021.

[51] Based on the Company's FY2019 Annual Report, the appointment of Mr. Xu Haimin as legal representative and director of SYT, ZLST and XJZT was stated in Note 20 as one of the safeguards and measures for recovering the "remaining refundable advances", and that the ultimate beneficial owner of SYT, ZLST and XJST was the Vendor.

[56] At the time when the 30 September 2021 Repayment Agreement was entered into, the composition of the Board had changed and comprised of:

1. Mr. Cheng Meng (Executive Director and Chief Executive Officer)
2. Mr. Terence Luk Chung Po (Non-Executive Chairman)
3. Mr. Xu Haimin (Non-Executive Director)
4. Ms. Lee Pih Peng (Non-Executive Independent Director)
5. Mr. Jimmy Ng (Independent Director)
6. Mr. Neo Chee Beng (Independent Director)

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		2019.[52] Mr. Xu Haimin also resigned from the boards of XJZT and ZLST when he ceased to be non-executive director of NutryFarm after 30 December 2021.[53]	This is particularly so, if the Deed of Termination had the effect of terminating the then existing securities and safeguards[57].
		6.7. As of 7 January 2022, the first tranche of the Repayment Agreement (i.e., RMB 7.5 million due and payable by Mr. Wang on 30 October 2021) was still outstanding.[54]	Potential breaches of Mainboard Rule 103(5): If the Deed of Termination did not have the effect of terminating the existing securities and safeguards, then NutryFarm, LIML and the Directors [58] had failed to take the
		6.8. After 7 January 2022 and up to 31 March 2022, we were informed that there had not been any repayment of	

[52] Based on corporate searches.
[53] Based on company searches on the National Enterprise Credit Information Publicity System of the PRC, as of 21 March 2022, Mr. Xu Haimin remained reflected as the legal representative, executive director and manager of ZLST.
[54] Based on Company's 7 January 2022 response to SGX RegCo Queries.
[57] During Maxwellisation, the Audit Committee commented that the Board was also "left with very little to negotiate"; they had allegedly negotiated but failed to obtain additional collateral, and took the position it would cost the Group significantly more to try to recover the entire amount forcibly. Ms. Lee Pih Peng, former director, commented that the question of how to secure payment was a legacy issue arising from the Company's earlier failed attempt at the Proposed First Acquisition and/or the Proposed Second Acquisition. Given there was an impasse with the seller on how to resolve the outstanding payments, the main purpose of entering into the Repayment Agreement was "*to commit the seller to such a repayment schedule in a binding agreement, which could then be subsequently legally enforced if necessary*".
[58] At the time when the 3 December 2019 Deed of Termination was signed, a number of Board members had resigned, and the Board of Directors comprised of only 4 members as follows:

1. Mr. Terence Luk Chung Po (ED)
2. Mr. Xu Haimin (NED)

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		Refundable Deposits by Mr. Wang. As of 31 March 2022, the remaining Refundable Deposits due from Mr. Wang was HKD 59,759,614[55], comprising the amounts recorded in LVHK's general ledger and RMB 19,793,300 that was repaid into WiVision's bank accounts. 6.9. In addition, we have identified ten discrepancies, ranging from HKD 0.5 million to HKD 57.6 million, between the Company's Annual Report, unaudited quarterly financial statements, and its response to SGX RegCo's queries on the one hand, and what is recorded in LVHK's and WiVision's	necessary steps to safeguard and enforce the pledge over 45% of Mr. Wang's shares in SYT before he ceased to be a shareholder of SYT on 15 May 2020. They had also failed to ensure that when Mr. Xu Haimin resigned from his role as the Non-Executive Director of NutryFarm, replacement directors/ legal representatives were appointed to XJZT and ZLST to safeguard the Company's interests[59].

3. Mr. Jimmy Ng (ID)
4. Mr. Neo Chee Beng (ID)

[55] Based on the Company's condensed interim financial statements for the three months (2Q2022) and six months (1HFY2022) ended 31 March 2022, Note 13b reflected "Advances for proposed acquisition" to be HKD 59,205,000.

[59] During Maxwellisation, the Audit Committee commented that it is both idealistic and naïve to take this position because *inter alia* the Company was not in any position to (i) prevent Mr. Xu Haimin from resigning; or (ii) enforce a replacement for Mr. Xu Haimin as it is subjected to the shareholders and directors of XJST and ZLST especially since the parties have signed definitive binding agreements with regards to the repayment plans. Ms. Lee Pih Peng, former director, commented that she recalls from interactions with Management that it may not have been within the Company's right to demand for appointment of a replacement director to the boards of XJZT and ZLST when Xu Haimin resigned as Non-Executive Director of the Company.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		books. We were informed that the figures reflected in the Annual Report, unaudited quarterly financial statements and responses to SGX RegCo's queries were prepared by the previous CFO Andy Xu prior to leaving the Company in October 2021.	
7.	To trace the actual movements of funds relating to the Refundable Deposit (i.e., Company's source of funds for the Refundable Deposit as well as Company's use of these monies following the partial recovery of the Refundable Deposit) to identify potential irregularities, if any.	7.1. The fund tracing covered the period from January 2017 to November 2021. 7.2. The payments and repayments in connection with the 15 June 2017 Loan Agreement and Refundable Deposits went through the following bank accounts: (a) LVHK's HSBC [60] Business Vantage 4XX-XXXXXX-838 HKD Current and HKD Savings accounts; and (b) WiVision's CCB [61] Demand Deposit Account 110XXXXXXXXXXXXX797.	

[60] HSBC refers to The Hongkong and Shanghai Banking Corporation.
[61] CCB refers to China Construction Bank.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		7.3. Due to unavailability of bank statements for certain periods, fund tracing was performed through review of available records such as LVHK's general ledger from 1 January 2017 to 30 September 2021, WiVision's journal entries from 31 January 2017 to 17 March 2022 and NutryFarm's general ledger from 1 January 2017 to 31 December 2018 and from 1 April 2019 to 30 April 2021.	
		7.4. The Refundable Deposits totaling HKD 91.4 million paid out from LVHK's bank account between 27 April 2017 to 24 July 2018 were funded by third-party loans taken by NutryFarm from New Star Education Limited ("**New Star**"), Furong Corpbond II Ltd ("**Corpbond**"), proceeds from Rights Issue[62] and payments from a third party[63], Chen Jun.	
		7.5. While the loans given to Mr. Wang under the 15 June 2017 loan agreement were interest-free, the third-party loans	

[62] Based on the Company's 27 and 30 December 2017 announcement on SGXNet, the Rights Issue of 32,140,701 shares was fully subscribed at SGD 0.10 per share for a total of SGD 3,214,070.10 (i.e., HKD 18,874,000 per the Company's FY2018 Annual Report). NutryFarm's general ledger showed that HKD 9,958,203 of the proceeds from the aforementioned Rights Issue were transferred from NutryFarm's bank account to LVHK's bank account to fund the Refundable Deposits.

[63] Based on interview with Mr. Andy Xu, the payments from Chen Jun were in relation to short payment of currency exchange differences during share placement in NutryFarm's shares.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		borrowed by NutryFarm to fund the 15 June 2017 Loan Agreement were incurred at interest rates of 3.5% - 7.4% per annum from New Star and Corpbond, with an additional arranger fee of 3.5% deductible upon drawdown under the loan agreement with Corpbond.	
		7.6. The general ledger of LVHK and the journal entries of WiVision showed that there had been net repayments amounting to HKD 31,640,386 (i.e., HKD 8,791,000 in LVHK's books and RMB 19,793,300 [64] equivalent to HKD 22,849,386[65] in WiVision's books) received from Ms. Feng, Mr. Wang and XJZT. The last repayment from Mr. Wang was on 29 April 2021.	
		7.7. In respect of the use of the funds from repayments:	

[64] The aforementioned RMB 19,793,300 does not include net repayment amounts of RMB 274,908 (RMB 1,644,908 repayments less RMB 1,370,000 payments) received from Ms. Feng between 28 March 2017 to 11 December 2021 by WiVision[64]. The Company is unable to advise on the specific purpose of such payments/ repayments recorded in the journal entries of WiVision.

[65] HKD 22,849,836 is derived by translating RMB19,793,300 at the Company's FY2020 balance sheet exchange rate of 1.1544.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		(a) The HKD 8,791,000[66] repayments received by LVHK were applied towards payment of LVHK's and NutryFarm's operating expenses, repayment of advances to Mr. Paul Gao and Mr. Terence Luk[67], repayment of loans to Corpbond Holdings Pte Ltd on behalf of NutryFarm, and also transferred back to NutryFarm's bank account for payments towards staff salary and employee expense claims. (b) The RMB 19,793,300 (HKD 22,849,386)[68] received by WiVision were applied towards payment of operating expenses and payment to ZLST for equipment purchase. 7.8. While there were net receipts of RMB 274,908 (i.e., payments of RMB 5,680,500 less receipts of RMB 5,955,408) from Ms. Feng, Mr. Wang Xiaotong and SYT between March	

[66] The amount of HKD 8,791,000 repayments does not include HKD 3,300,000 which were refunded by Ms. Feng and GM in October and November 2017, which coincides with the period of loan disbursements under the 15 June 2017 Loan Agreement.
[67] These repayments pertained to an HKD 300,000 advances provided by Mr. Paul Gao in December 2020 to LVHK and advances provided by Mr. Terence Luk to LVHK between October 2020 to February 2021.
[68] HKD 22,849,836 is derived by converting RMB19,793,300 at the Company's FY2020 balance sheet exchange rate of 1.1544.

A. First Proposed Acquisition				
S/N	**Objectives directed by SGX RegCo**		**Observations**	**Comments**
			2017 to December 2021 in WiVision's journal entries, the Company is unable to advise on the specific purpose of these transactions. Hence, these amounts were not taken into consideration for the purpose of funds tracing.	
		7.9.	As the bank statements provided for NutryFarm were incomplete, we were unable to verify certain general ledger transactions in respect of the source of funding and use of Refundable Deposits against the bank statements.	
		7.10.	We were not provided with the bank statements of LVHK's HSBC Business Vantage bank account 4XX-XXXXXX-838 for the period April 2019 to September 2020 and January to August 2021. Accordingly, we are unable to verify the repayments received from the Vendor against what was recorded in the general ledger during the aforementioned periods.	
8.	In relation to the due diligence performed by the key management and directors for the	8.1.	Professional advisors were appointed to perform the legal and financial due diligence in November/ December 2017, more than six months after the prepayments and/or loans	The Fiduciary Obligations require the directors to act honestly and in good faith, and exercise due care and diligence in the discharge of the duties

A. First Proposed Acquisition				
S/N	**Objectives directed by SGX RegCo**		**Observations**	**Comments**
	First Proposed Acquisition, determine whether the key management and directors had adequately discharged their fiduciary duties as key officers of the company pursuant to the Fiduciary Obligations.		were made to the Vendor, Mr. Wang, in the form of interest-free loans from 27 April 2017.	of their office: Due diligence was only commissioned in respect of the First Proposed Acquisition more than six months after the prepayments were made and loans were extended. By this time, substantial funds had already been disbursed to the Vendor and his nominees.
		8.2.	By the time when the due diligence reports were issued on 15 March 2018, HKD 53.4 million had already been paid out to Mr. Wang in relation to the First Proposed Acquisition.	
9.	To identify any potential contravention of the applicable listing rules, laws, and regulations as well as to highlight any internal control weaknesses (including recommendations to remedy the control	9.1.	Please refer to the "Comments" column for the potential contravention of the Listing Rules and the Fiduciary Obligations.	
		9.2.	Additionally, we noted internal control weaknesses as follows:	
			(a) No known process to obtain board resolutions and approvals for significant transactions, and these were obtained post events for certain transactions	Potential breach of Mainboard Rule 719(1), which requires an issuer to have adequate and effective systems

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
	weaknesses identified) noted in the course of the review into the First Proposed Acquisition and the Company's recovery of the Refundable Deposit (including any escalation to and approval received from the Board).	i) There were no board resolutions approving the prepayments to Mr. Wang which started from 27 April 2017 or the 15 June 2017 Loan Agreement; ii) One of the board resolutions was passed after the event had occurred i.e. the 23 August 2018 board resolution for the approval for prepayment of approximately RMB 74.1 million to vendor Mr. Wang for the proposed acquisition of First Linkage and purchase of property, plant, and equipment. However, Refundable Deposits of HKD 91.4 million had already been paid to the Vendor prior to this Board Resolution;	of internal controls (including financial, operational, compliance and information technology controls) and risk management systems: Prepayments and loans, which the Company subsequently referred to as "Refundable Deposits" amounting to HKD 91.4 million[69] had already been advanced prior to this Board Resolution. There was also no Board Resolution to approve the payments which started from 27 April 2017 or the 15 June 2017 Loan Agreement.

[69] The aforementioned HKD 91.4 million is based on the amount recorded in LVHK's general ledger. This amount does not include net repayments of RMB 80,000 (payments of RMB 5,650,500 less repayments of RMB 5,730,500) received from Ms. Feng, Mr. Wang Xiaotong and SYT between 28 March 2017 to 2 May 2018 by WiVision. The Company is unable to advise on the specific nature of such payments/ repayments recorded in the journal entries of WiVision.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		iii) NutryFarm should ensure that there is a process in place with designated personnel responsible for ensuring that board meetings and approvals are obtained prior to major or material transactions.	
		(b) Loss of corporate records arising from the use of personal emails by employees to liaise on company matters	
		i) There were no corporate email accounts and employees were allowed to use their personal emails to liaise on company matters. For example, we noted that the Mr. Paul Gao and Mr. Andy Xu were using their personal Gmail accounts to liaise on NutryFarm matters in the correspondence with Lee & Lee during the period of the First Proposed Acquisition.	
		ii) NutryFarm should consider subscribing to a corporate email domain and accounts for employees to liaise on company business	

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		matters. In the event of employee turnover and lack of proper handover, records could be retrieved from archived emails.	
		(c) No known process to ensure disclosures in accordance with SGX Rulebooks	Potential breaches of Mainboard Rule 703(4)(a) read with paragraph 25(a) of Appendix 7.1 of the Corporate Disclosure Policy, which prescribes that the contents of any public announcement must be factual, clear, and succinct.
		i) The following material information (per Mainboard Rule 703(4) (a) Appendix 7.1 Corporate Disclosure Policy) or disclosable transactions (i.e., transaction value exceeding 5% but not more than 20% of Group's net assets per Mainboard Rule 1010), or major transactions (i.e. transaction value exceeding 20% of Group's net assets per Mainboard Rule 1014) were not announced on SGXNet on a timely basis: • The HKD 91.4 million prepayments that were made between 27 April 2017 to 24 July 2018 in connection to the First Proposed Acquisition, which was in	Firstly, in NutryFarm's announcement dated 15 March 2018, it stated that the *"Purchase Consideration shall be satisfied by payment of RMB 67,500,000 (being the Purchase Consideration less the Retained Sum) in cash by telegraphic transfer in immediately available funds free of bank charges to the bank accounts(s) of the Vendor"*. This suggests that

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		excess of the sum of RMB 67.5 million payable on Completion; • The three loan agreements dated 27 March 2017, 5 May 2017 and 16 August 2017 signed with New Star, for loans taken up, which amounted to SGD 1.8 million, SGD 3.6 million and SGD 40 million respectively. • The two 29 January 2021 Loan Transfer Agreements whereby SGD 7.4 million loans were transferred from New Star to Corpbond, and the maturity dates of the loans were extended with interest rates ranging from 3.7% to 7.4% per annum applicable to the loan extension period. • The 1 February 2021 Loan Extension Agreement with Corpbond to extend SGD 2 million loan by one more year to	payment of the Purchase Consideration would be made after 15 March 2018, whereas LVHK had already paid HKD 53.4 million to the Vendor by the date of the announcement. There was no mention of any obligation to pay any Refundable Deposits, or that substantial Refundable Deposits had already been made. Secondly, in NutryFarm's announcement dated 3 December 2019, it referred to its earlier announcements on 15 March 2018, 20 July 2018, and 10 February 2019, as well as the S&P Deed and added that the parties "*had agreed for the Purchaser, through LottVision Hong Kong Limited… to provide a refundable* deposit *of an aggregate amount of*

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
		7 November 2022, with interest rates of 7.4% per annum applicable to the loan extension period.	*HKD 91.4 million ("Deposit") to WXX*[70]". This suggests that the parties had agreed, by the terms of the S&P deed or after the date of the S&P Deed (i.e., 15 March 2018), for a refundable deposit to be paid. However, substantial funds had been paid since 2017, before the execution of the 15 June 2017 Loan Agreement or the S&P Deed.
		ii) NutryFarm should ensure that there is a process and designated personnel responsible for ensuring that disclosable transactions are announced on a timely basis while major transactions get approved in shareholders' meeting and announced on a timely basis.	Potential breach of Mainboard Rule 703(4)(a) read with paragraph 8(k) of Appendix 7.1 of the Corporate Disclosure Policy, which prescribes that an issuer must provide timely disclosure of all material information, including receipt of any significant amount of financial assistance.

[70] WXX refers to the Vendor, Mr. Wang Xiaoxin.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
			The Company did not make any announcements in respect of the two loan agreements dated 5 May 2017 and 16 August 2017 signed with New Star. The loans individually amounted to SGD 3.6 million and SGD 40 million respectively, which amounted to 14.5% [71] and 166% [72] of NutryFarm Group's net asset value. Similarly, no announcements were made in respect of the following: (a) two 29 January 2021 Loan Transfer Agreements where SGD 7.4 million loans (i.e. approximately 3 times [73]

[71] 14.5% is derived based on loan amount of SGD 3.6 million translated on 1 May 2017 exchange rate of SGD1=HKD5.6206 (as published on Yahoo Finance), and Group net asset value of HKD 139,191,000 as at 31 December 2016 (based on latest announced financial results on SGXNet on 10 February 2017).
[72] 166% is derived based on loan amount of SGD 40 million translated on 1 August 2017 exchange rate of SGD1 = HKD5.7609 (as published on Yahoo Finance), and Group net asset value of HKD 138,189,000 as at 30 June 2017 (based on latest announced financial results on SGXNet on 14 August 2017).
[73] 3 times is derived based on transferred loan amount of SGD 7.4 million translated on 1 January 2021 exchange rate of SGD1=HKD5.8309 (as published on Yahoo Finance), and net Group asset value of HKD 13,920,000 as at 30 September 2020.

A. First Proposed Acquisition			
S/N	**Objectives directed by SGX RegCo**	**Observations**	**Comments**
			NutryFarm Group's net asset value) which NutryFarm borrowed from New Star under the original 16 August 2017 loan agreement were transferred to Corpbond. (b) The 1 February 2021 Loan Extension Agreement (in connection with the 30 October 2017 loan agreement [74]) signed with New Star and Corpbond which amounted to SGD 2 million (i.e. approximately 84% [75] of NutryFarm Group's net asset value).

[74] 30 October 2017 loan agreement was entered into between NutryFarm (Borrower), Corpbond (Lender) and Furong Investments Pte. Ltd. for loans up to SGD 20 million to be provided to NutryFarm in several tranches at a simple interest of 6.25% per annum, and repayable four years from the date of drawdown.

[75] 84% is derived based on loan amount of SGD 2 million translated on 1 February 2021 exchange rate of SGD1=HKD5.8376 (as published on Yahoo Finance), and net Group asset value of HKD 13,920,000 as at 30 September 2020.

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
1.	To ascertain and report whether the key management and/or the Board conducted due diligence (business, financial and legal) in relation to the proposed acquisition.	1.1. Yes, the Company conducted financial and legal due diligence, as well as an independent valuation on the Proposed Acquisition of XJZT as follows: (a) The Company appointed BTHK on 22 April 2019 to conduct a financial due diligence on XJZT for the financial period from 27 June 2017 (date of incorporation) to 31 March 2018 and year ended 31 March 2019. BTHK completed the financial due diligence on 26 July 2019.[76] (b) WiVision appointed Tian Yuan to perform legal due diligence on XJZT, with Tian Yuan's report issued on 15 November 2019. (c) The Company and LIML appointed Tian Yuan to issue a legal opinion on 2 August 2019 that the business activities of XJZT were not subject to restrictions under the foreign investment laws of PRC.	

[76] Completion date of financial due diligence of 26 July 2019 was based on the Draft Circular to Shareholders submitted to SGX on 19 September 2019.

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
		(d) The Company appointed RSMCA on 14 June 2019 to estimate the indicative FMV range on 100% share capital of XJZT as of 31 March 2019. RSMCA's valuation was based on the actual financial results of XJZT for financial years 2018 and 2019, and financial forecast for financial years 2020 to 2024. RSMCA's Report was issued on 26 July 2019.	
		9.3. There were due diligence findings/issues flagged by BTHK and Tian Yuan in respect of XJZT, for which recommended actions included the incorporation of these factors into the purchase consideration, rectification by XJZT and/or for the beneficial owners of XJZT to undertake all liabilities and losses arising therefrom. These findings included: a) Recoverability of trade receivables and advances to employees; b) Capital commitments on premises acquired by XJZT; c) Potential misstatement of value-added taxes; d) Potential fines arising from non-registration of lease agreement, delay in registration of social insurance upon establishment, and non-registration of housing	

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
		accumulation funds account with the relevant authorities.	
2.	To ascertain and report whether the key management and/or the Board considered the potential benefits and risks associated with the proposed acquisition and the payment and recovery arrangement for the Refundable Deposit.	2.1. Yes, the Board considered the potential benefits and risks associated with the Second Proposed Acquisition. 2.2. The Vendor for the Second Proposed Acquisition is First Linkage Inc, which is 100% owned by Mr. Wang, the Vendor for the First Proposed Acquisition. After rejection of the First Proposed Acquisition by SGX RegCo, Mr. Paul Gao said he was under the impression that SGX RegCo was only concerned with the VIE structure of the First Proposed Acquisition and discussed with the Vendor, Mr. Wang. Mr. Wang told him he could still cooperate with NutryFarm and suggested that NutryFarm acquire XJZT, which is not an ISP and hence not subject to foreign ownership restrictions.[77] 2.3. The considerations which the Board took into account in relation to the Second Proposed Acquisition and the Payment/Recovery of the "Refundable Deposits" were as follows:	

[77] Based on interview with Mr. Paul Gao.

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
		(a) The Proposed Acquisition of XJZT was to diversify the Company's business and expand its core business to include telephone billing and digital marketing (which form XJZT's core business), as well as services in communication network optimization, internet information technology services, software development and system integration. This would provide Shareholders with diversified returns and enhance the Group's long-term prospects for profitability and growth.[78]	
		(b) The Proposed Acquisition would bring synergies to the Group's existing internet management business conducted through LottVision, as well as the nutrition and health food products business conducted through NFC by enhancing the support that LottVision provides for NFC. NutryFarm would be able to leverage the telephone billing and digital marketing expertise of XJZT to promote the NutryFarm online store and its	

[78] Based on the Company's 21 June 2019 announcement on SGXNet.

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
		products and to expand the marketing and billing channels of NFC, and by doing so, broaden the customer base for the nutrition and health food products business and increase its sales.[79] (c) XJZT was not subject to restrictions on foreign investment and could have been consolidated into NutryFarm's financial statements.[80] (d) Mr. Xu Haimin had been appointed the legal representative, general manager and executive director [81] of XJZT since November 2018, for the purposes of safeguarding the Company's interests in connection with the First Proposed Acquisition[82].	

[79] Based on the Company's 21 June 2019 announcement on SGXNet.
[80] Based on interview with Mr. Andy Xu.
[81] Based on corporate searches.
[82] Based on the Draft Circular to Shareholders submitted to SGX on 9 December 2019: "Although Mr. Xu Haimin's official designation in filings with the relevant market supervision administration was reflected as "executive director", Mr. Xu Haimin's directorships in the companies in the Vendor Group are non-executive and mainly supervisory in nature, and Mr. Xu Haimin is not involved in any formulation or approval of business strategy or business decisions. His primary role is to safeguard the Company's and Group's interests."

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
		(e) The Purchase Consideration for the Second Proposed Acquisition was to be satisfied by way of set-off against the Remaining Refundable Deposit for the First Proposed Acquisition. (f) Undertakings were made by the Vendor and Affiliated Persons in the Sale and Purchase Agreement dated 21 June 2019 ("**SPA**"), not to carry out business similar to XJZT or provide advice to any person or companies whose business are similar to XJZT or solicit away any officer, employee, or customer of XJZT for a period of three years after Completion.	
3.	To ascertain and report whether the key management and/or the Board took into account the interests of the Company and/or its shareholders when deciding to enter the proposed acquisition	3.1. Based on the considerations which the Board took into account in point 2 above, it would appear that the Board had taken into consideration the interests of the Company and/or its shareholders when deciding to enter the Second Proposed Acquisition, payment, and recovery of Refundable Deposit. 3.2. We noted from LVHK's General Ledger that, following the February 2019 SGX RegCo's rejection of the First Proposed Acquisition, and prior to the Second Proposed Acquisition,	

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
	and on the payment and recovery arrangement for the Refundable Deposit.	Refundable Deposits of HKD 2.4 million were repaid to the Company. The 3 December 2019 Deed of Amendment and Set-Off was also entered into to provide that the remaining Refundable Deposit from the First Proposed Acquisition be set-off against the purchase consideration of RMB 50 million.	
4.	To ascertain and report on the escalation and approval process for the execution of the transaction.	4.1. NutryFarm's board resolutions in respect of the Second Proposed Acquisition were noted as follows: (a) A 21 June 2019 Board Resolution for the Proposed Acquisition of 100% fully paid-up capital of XJZT. (b) A 3 December 2019 Board Resolution for the approval of the Deed of Amendment and Set-off in respect of the Second Proposed Acquisition. 4.2. The Completion Date of the SPA for the Second Proposed Acquisition lapsed on 30 June 2020, hence the acquisition was not completed.	
5.	To ascertain and report on the circumstances	5.1. The Proposed Acquisition of XJZT was not terminated. We understand from Mr. Jimmy Ng, Mr. Neo Chee Beng, Mr. Xu	

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
	leading to the termination of the Second Proposed Acquisition and determine whether the decision to terminate the acquisition took into consideration the interests of the Company and/or its shareholders.	Haimin and Mr. Andy Xu that it could not be completed as the Company did not receive any approval/ rejection from SGX RegCo following its application and submission of documents for the Second Proposed Acquisition. The Completion Date of SPA subsequently lapsed on 30 June 2020.	
6.	To ascertain and report on whether there are any potential relationships between the Company's directors, key management, controlling shareholders and the directors, key management,	6.1. As the key management personnel, directors (other than Mrs. Li Chunling who had resigned as Executive Director since 21 February 2019) and controlling shareholders of NutryFarm and the counterparties for the Second Proposed Acquisition are the same as those for the First Proposed Acquisition, please refer to Paragraph 1.7 - A.5. with regards to potential relationships between various individuals to the Transactions.	

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
	shareholders, or key appointment holders in the counterparties of the Second Proposed Acquisition, and assess if these individuals are independent parties in relation to the transaction.		
7.	To ascertain and report on the Company's efforts and progress of the recovery of the Refundable Deposit up till the latest practicable date of this report.	7.1. Refer to Paragraph 1.7 – A.6 in respect of the recovery of the Refundable Deposit.	
8.	To trace the actual movements of funds relating to the Refundable Deposit and Advance Payments	8.1. Refer to Paragraph 1.7 – A.7 in respect of the use of funds from the recovery of the Refundable Deposit.	

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
	(i.e., Company's source of funds for the Refundable Deposit as well as Company's use of these monies following the partial recovery of the Refundable Deposit to identify potential irregularities, if any.		
9.	In relation to the due diligence performed by the key management and directors for the Second Proposed Acquisition, determine whether the key management and directors had adequately discharged their fiduciary duties as key officers of the	9.1. Professional advisors were appointed to perform the legal and financial due diligence, as well as independent valuation on XJZT between April 2019 to November 2019. 9.2. The aggregate purchase consideration of RMB 50 million for the Second Proposed Acquisition was noted to be within the market value range of the RMB 49.9 million and RMB 57.6 million estimated by RSMCA in their 26 July 2019 report. 9.3. The Company, through LIML, had entered into a 21 June 2019 Sale and Purchase Agreement with First Linkage for the acquisition of 100% equity interests in XJZT prior to the	

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
	company pursuant to the Fiduciary Obligations.	completion of due diligence. The Completion of the Second Proposed Transaction was subject to Conditions Precedent, including the Purchaser's satisfaction over the results of the due diligence and rectification of any irregularities.	
		9.4. Following the completion of the due diligence, on 3 December 2019, a Deed of Amendment and Off-Set was entered between LIML, First Linkage and Mr. Wang. Rectification of irregularities arising from the Legal due diligence by Tian Yuan on XJZT were included in the Deed as "Further Understanding In Relation to the Condition Precedent Under the SPA".	
		9.5. Given that the Completion of the SPA was subject to satisfactory due diligence, and no funds were paid prior to SGX's approval or the SPA Completion date, no breach of the Fiduciary Obligations was identified.	
10.	To identify any potential contravention of the applicable listing rules, laws, and regulations	10.1. The SPA for the Second Proposed Acquisition was signed on 21 June 2019 when the financial and legal due diligence for XJZT were still being carried out between April and November 2019. The SPA provided for Conditions Precedent	

B. Second Proposed Acquisition			
S/N	**Objectives**	**Observations**	**Comments**
	as well as to highlight any internal control weaknesses (including recommendations to remedy the control weaknesses identified) noted in the course of the review into the transaction and the Company's recovery of the Refundable Deposit (including any escalation to and approval received from the Board).	including the Purchaser's satisfaction over the results of the due diligence and rectifications of any irregularities. 10.2. Additionally, a Deed of Amendment and Off-Set was signed with First Linkage and Mr. Wang on 3 December 2019 to include rectification of irregularities arising from the legal due diligence. 10.3. The signing of the SPA and the Deed of Amendment and Set-off were approved through NutryFarm's Board Resolutions. 10.4. As such, we did not identify any potential breaches of applicable listing rules, laws and regulations and any known internal control weaknesses.	

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
1.	To ascertain and report on the escalation and approval process for the execution of the transaction.	1.1. The RMB 26,810,000 advances due from MLTY as of 31 March 2021 arose from advances/ loans made by NFC to MLTY between 2019 and 2021, with two loan agreements[83] entered into between NFC and MLTY to provide up to RMB 37 million in interest-free loans ("**31 March 2019 Loan Agreements**"): (a) 31 March 2019 loan agreement providing an interest-free loan of RMB7 million to MLTY for a one-year period from 31 March 2019 to 1 April 2020. (b) 31 March 2019 loan agreement providing an interest-free cumulative loan amount not exceeding RMB 30 million for a two-year period from 1 April 2019 to 31 March 2021. (c) These two loan agreements were approved by Mr. Chen Wei (Assistant General Manager of NFC). 1.2. We were informed that there were no Board Resolutions approving the two 31 March 2019 Loan Agreements.	

[83] These two loan agreements were stamped with the Company seals of NFC and MLTY, with no signature required.

C. Advance Payments to MLTY				
S/N	**Objectives**		**Observations**	**Comments**
		1.3.	According to Mr. Paul Gao, Mr. Chen Wei (Assistant General Manager of NFC), had informed him of the 31 March 2019 Loan Agreements, but was not required to approve the 31 March 2019 Loan Agreements. According to Mr. Paul Gao, NFC would not be required to notify the Board of the loans to MLTY, as such loans by NFC would be considered as being in the normal course of business. We understand from Mr. Andy Xu that NFC's loans to external parties do not require NutryFarm's Board approval as NFC runs their business independently.	
		1.4.	According to Mr. Jimmy Ng and Mr. Neo Chee Beng, the Board only came to know of the loans/ advances to MLTY when the balances started to build up and appear in the quarterly and annual financial statements.	
2.	To ascertain and report on the purpose and rationale of the Advanced Payments to MLTY, and assess whether these were in	2.1.	NFC had been providing frequent advances to MLTY since March 2010, before NFC became part of the NutryFarm Group. The Company acquired a 55% equity interest in NFB	

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
	the ordinary course of business, taking into consideration the interests of the Company and/or its shareholders.	on 9 May 2012[84], and a 100% equity interest of NFB and NFC on 30 June 2016. 2.2. Prior to 16 March 2011, MLTY was owned by NFC. On 16 March 2011, NFC transferred its stake in MLTY to Dr. Chen Yaoming (Director of NFC) and Mr. Chen Yaowen (General Manager and Managing Director of NFC). From 8 August 2012, Dr, Chen Yaoming and Mr. Chen Yaowen transferred their shareholdings in MLTY to Beijing Yikai Zhiyuan Trading Co., Ltd ("**BYZT**", 60%) and Chengdu Zhongjia Investment Co., Ltd ("**CZI**", 40%). 2.3. Based on the 30 September 2020 Management Position Paper[85] and interviews with Mr. Paul Gao and Mr. Chen Wei, the advances/ loans were made to MLTY because: (a) MLTY is an associate of NFC's two major customers[86];	

[84] Based on the Company's 15 February 2016 announcement on SGXNet. Corporate searches showed that NFC was a wholly owned by NFB since 24 November 2010.
[85] The 30 September 2020 Management Position Paper, which was prepared as part of NutryFarm's annual impairment of Group's assets, was approved by the following Board members by way of a 31 January 2021 Board Resolution: Mr. Terence Luk, Mr. Jimmy Ng, Mr. Neo Chee Beng and Mr. Xu Haimin. Although Mr. Cheng Meng was a Board member as of 31 January 2021, his approval was not noted on the Board Resolution.
[86] We were informed that the non-executive Board members had approved the 30 September Management Position Paper based on representations from the management.

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
		(b) The practice of providing advances/loans to MLTY had been a long-standing practice; and (c) There were instances in the past where MLTY provided working capital loans to NFC.[87]	
		2.4. Between July 2010 and October 2018, there were occasional sales transactions between NFC and MLTY for the net sum of RMB 16,922. As NFC is not in the business of providing loans, the advances/loans to MLTY would not be deemed as transactions undertaken in the ordinary course of business.	Potential breaches of Mainboard Rule 103(5) which provides that the directors of issuers shall act in the best interests of shareholders as a whole, particularly where a director or substantial shareholder has a material interest in a transaction entered into by the issuer; and the Fiduciary Obligations which require the directors to act honestly and in good faith, and exercise due care and diligence in the discharge of the duties of their office: Whilst the loans/ advances were undertaken by NFC, if and to the extent
		2.5. The advances/loans to MLTY arising from the 31 March 2019 Loan Agreements were potentially not made in the interest of the Company and/or its Shareholders as: (a) There were no trade transactions between MLTY and NFC subsequent to October 2018;	

[87] Based on a 4 July 2017 loan agreement between NFC and MLTY, MLTY would lend NFC RMB 13 million loan for a one-month period from 20 July to 19 August 2017. NFC's listing of transactions with MLTY for the period from March 2010 to September 2021 showed that this was the only instance where MLTY extended a loan to NFC.

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
		(b) MLTY was not required to provide any security for the advances/loans from NFC; (c) The two customers whom MLTY is supposedly associated with were Shangrao Kangyuan Advertising Media Co., Ltd. ("**SKAM**")[88] and Shangrao Wuzhou Juyuan Advertising Media Co., Ltd ("**SWJAM**").[89] However, corporate searches revealed that SKAM was not affiliated with MLTY and SWJAM's affiliation to MLTY was only between 8 August 2012 and 15 August 2014.	that any of the directors[91] of the Company were aware of these transactions and/or monies being disbursed pursuant to these transactions and had approved and/or acquiesced in these transactions, they may have committed these potential breaches: • By the time the 31 March 2019 Loan Agreements were entered into, it was clear that MLTY did not have any affiliation with

[88] SKAM is 上饶市康源广告传媒有限公司.

[89] SWJAM is 上饶市五洲聚源广告传媒有限公司.

[91] The Directors of the Company from the time when the 31 March 2019 Loan Agreements were signed until the date of last loan/ advances made to MLTY (i.e. 21 January 2021) comprised:

1. Mr. Paul Gao (CEO and ED from 9 January 2006 to 8 November 2019)
2. Mr. Cheng Meng (CEO 6 January 2021 to 13 February 2022)
3. Mr. Terence Luk Chung Po (ED from 14 October 2019 to 6 January 2021, CEO from 6 February 2020 to 6 January 2021, Non-Executive Chairman from 6 January 2021 to 8 March 2022)
4. Mr. Xu Haimin (NED from 9 April 2014 to 30 December 2021)
5. Mr. Jimmy Ng (ID from 1 April 2008 to 1 January 2022)
6. Mr. Neo Chee Beng (ID from 1 October 2009 to 1 January 2022)

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
		(d) Between 2010 and 2021, the annual combined revenue from SKAM (incorporated on 1 June 2018) and SWJAM (de-registered on 12 May 2021) ranged from RMB 3.9 million to RMB 24.4 million.[90] In particular, the annual combined revenue from SKAM and SWJAM were RMB 5.1 million for FYE 31 March 2019 and RMB 6.2 million for FYE 30 September 2020 against the RMB 37 million loans that was to be provided under the 31 March 2019 Loan Agreements. (e) The advances/loans to MLTY were interest-free, but partially funded by a RMB 13 million interest-bearing loan by NFC from the Agricultural Bank of China. Based on the Company's 3 August 2021 response to SGX RegCo's queries, the RMB 10 million loan from Agricultural Bank of China was at an annual interest rate of 4.25% and the RMB 3 million loan at an annual interest rate of 5.7%, secured on NFC's property in China.	SWJAM and SKAM. As such, the alleged commercial rationale to maintain a positive relationship with SWJAM and SKAM cannot be substantiated; • The 31 March 2019 Loan Agreements are interest-free. However, these loans were partially funded by NFC through an interest-bearing loan from Agricultural Bank of China (RMB 10 million at an annual interest rate of 4.25% and RMB 3 million at an annual interest rate of 5.7%, secured on NFC's property in China); and • No further repayments were made by MLTY to NFC since 30 September 2021, and we are not aware of any attempts or efforts

[90] Based on the transactions listing between NFC and (i) SKAM and (ii) SWJAM, respectively.

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
		2.6. Based on the above understanding, there does not appear to be any commercial justification for the 31 March 2019 Loan Agreements of RMB 37 million (~HKD 42.7 million based on exchange rate of RMB 1 = HKD 1.1544 FYE 31 March 2020 balance sheet exchange rates) loans to MLTY.	to recover the outstanding sums due to NFC.
		2.7. There was no announcement made by the Company in respect of the two 31 March 2019 Loan Agreements. It was further noted that in the Company's 11 August 2021 responses to SGX RegCo's queries relating to the HKD 31,961,000 "advances to third parties and suppliers", the Company had stated that: (a) "this was mainly represented by RMB 26,810,000 advances to MLTY since 2018"; (b) "MLTY is an associate of two of NFC's customers and maintains influence over the two customers", and that NFC's dealings with these two customers "is ongoing"; and	Potential Breaches of Mainboard Rule 703(4)(a) read with paragraphs 8(k) and 25(a) of Appendix 7.1 of the Corporate Disclosure Policy[92], which prescribes that an issuer must provide timely disclosure of all material information including the provision of any significant amount of financial assistance; and Mainboard Rule 703(4)(a) read with paragraph 25(a) of Appendix 7.1 of the Corporate Disclosure Policy, which prescribes that the contents of any public

[92] Provision of a significant amount of financial assistance was included in Appendix 7.1 Corporate Disclosure Policy under the Mainboard Rules with effect from 7 February 2020.

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
		(c) "MLTY did not notify the Company how much of these advances have been used as well as the description of these uses".	announcement must be factual, clear and succinct. The Company failed to make any public disclosure in relation to 31 March 2019 Loan Agreements, which amounted to approximately 30% of NutryFarm Group's net assets as of 31 December 2018 based on its latest announced financial results on SGXNet on 13 February 2019. Further, the Company's responses to SGX's queries dated 11 August 2021 were inaccurate, given that the advances were made from 2019 to 2021, when (a) MLTY was not affiliated to SKAM and SWJAM by that time (b) it suggests that the funds were "advanced" to MLTY to facilitate or defray amounts which may be payable by SWJAM and SKAM to NFC, when in fact, they were purely unsecured loans to MLTY and (c) given that SKAM was de-registered on 12 May 2021, it is not possible for any business relationship

C. Advance Payments to MLTY				
S/N	**Objectives**		**Observations**	**Comments**
				between NFC and SKAM to be "ongoing" as at the date of the Company's response[93] (i.e. 11 August 2021).
3.	To ascertain and report on whether there are any potential relationships between the Company's directors, key management, controlling shareholders and the directors, key management, shareholders, or key appointment holders in the counterparties of Advance Payments to MLTY, and assess if these	3.1.	From the results of the corporate searches we conducted, Mr. Paul Gao, Mr. Xu Haimin and Mr. Chen Wei held roles in companies that are either related to MLTY or its shareholders Mr. Jiang Hua[94] (姜华) and Mr. Wang Ling[95] (王翎) However, except for Mr. Paul Gao, who is still a Director of Beijing Jifude Information Technology Co., Ltd ("**Beijing Jifude**") (where Mr. Wang Ling is a director), all the roles held by Mr. Paul Gao, Mr. Xu Haimin and Mr. Chen Wei ceased prior to the 31 March 2019 Loan Agreements.	
		3.2.	We understand from Mr. Paul Gao and Mr. Xu Haimin that their roles and relationships with MLTY's shareholders did not influence any decisions regarding the 31 March 2019	

[93] During Maxwellisation, former director Ms. Lee Pih Peng (NED from 27 February 2021 to 21 March 2022) commented that the responses were approved by the Directors based on representations and understanding obtained from the Management on the background/ history behind such advances, and that nothing had come to her knowledge to suggest that such representations or information may have been false or inaccurate and/or had to be independently checked or verified.
[94] Mr. Jiang Hua has been the 40% shareholder of MLTY shareholdings since 19 September 2018.
[95] Mr. Wang Ling is an indirect shareholder of MLTY. He is the 79.66% shareholder of Beijing Yikai Holdings Co., Ltd ("**YKH**") which owns 60% of MLTY.

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
	individuals are independent parties in relation to the Transactions.	Loan Agreements signed by NFC with MLTY, as such decisions were made by Mr. Chen Wei of NFC. 3.3. The corporate search results on Chengdu Meibangfalido Biotechnology Co., Ltd. ("**Meibangfalido**") reflects an individual known as "Chen Wei" (陈伟) as the 50% shareholder and a "Jiang Hua" (姜华) as supervisor prior to its de-registration on 15 February 2012. Mr. Chen Wei informed us that the "Chen Wei" in the search results is not him. As the corporate search results for PRC companies does not contain any personal identification numbers of individual shareholders and management personnel, we are unable to ascertain whether the shareholder "Chen Wei" of Meibangfalido was indeed Mr. Chen Wei.	
4.	To ascertain and report on the Company's efforts and progress of the recovery of the Advance Payments up till the	4.1. The advance payments to MLTY were unsecured, with the last payment received from MLTY on 30 September 2021[96]. The remaining balance due from MLTY is RMB 18,055,000. 4.2. Corporate search results showed that on 26 April 2023, the sole shareholder of NFC was changed from NutryFarm,	

[96] Based on NFC's transaction listing with MLTY for the period from March 2010 to September 2021.

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
	latest practicable date of our report.	Biomedicine International to AGS Foods Canada Limited. As such, NutryFarm no longer has visibility over the financials of NFC and the amounts recovered by NFC from MLTY. Although the disposal of NFC took place after NutryFarm went into judicial management, we were informed that the disposal of NFC was not authorized by the Judicial Managers. 4.3. We noted the following differences ranging from RMB 1,960,000 to RMB 2,846,000 between the figures reported in the Company's responses to SGX RegCo queries and what is reflected in NFC's listing of transactions with MLTY: (a) Difference of RMB 2,846,000 – The Company's 27 February 2020 response to SGX RegCo's queries stated that amounts due to MLTY amounted to RMB 28,529,000 as of 31 December 2019. However, NFC's Ledger showed a balance of RMB 25,683,000. (b) Difference of RMB 1,960,000 – The Company's 11 August 2021 response to SGX RegCo's queries stated that amounts due from MLTY amounted to RMB 26,810,000 as of 31 March 2021. However, NFC's	

C. Advance Payments to MLTY				
S/N	**Objectives**		**Observations**	**Comments**
			ledger showed the cumulative receivables from MLTY amounted to RMB 28,770,000 as of 31 March 2021.	
		4.4.	We have not been provided with the reasons for these differences.	
		4.5.	We were informed that the figures reflected in the responses to SGX RegCo's queries were prepared by the previous CFO Andy Xu who subsequently left the Company in October 2021.	
5.	To trace the actual movements of funds relating to the Advance Payments (i.e., Company's source of funds for the Advance Payments as well as Company's use of these monies following the partial recovery of the Refundable Deposit) to	5.1.	Prior to the loans provided under the two 31 March 2019 Loan Agreements, NFC's bank balance as of 31 March 2019 was RMB 36,155,483. As of 30 November 2021, NFC's bank balance was RMB 11,537,485 (i.e., a decrease of RMB 24,617,998 compared to 31 March 2019).	
		5.2.	Between January 2019 and November 2021, NFC's incoming funds were from its operations and a RMB 13 million loan from Agricultural Bank of China and bank-in cash.	
		5.3.	The RMB 13 million loan from Agricultural Bank of China was interest-bearing, with RMB 10 million at an annual interest	

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
	identify potential irregularities, if any.	rate of 4.25% and RMB 3 million at an annual interest rate of 5.7%, secured on NFC's property in China.[97]	
		5.4. Between January 2019 to November 2021, NFC's outflow of funds went towards meeting its operating expenses, advances to third parties,[98] repayment of the Agricultural Bank of China loans and withdrawal of cash.	
		5.5. We were provided with NFC's bank statements, bank ledgers and the listing of transactions with MLTY. For the purpose of fund tracing, we have relied on the transaction descriptions in the bank ledgers and bank statements to determine and interpret the source of funds to MLTY, as well as the use of the repayments from MLTY. We have requested but have not been provided with the audited financial statements of NFC and a complete set of NFC's general ledgers. Hence, we are unable to confirm whether our understanding of the transaction and nature of transactions in the bank ledgers is accurate.	

[97] Based on the Company's 3 August 2021 Response to SGX Queries.
[98] Advances to other third parties such as Chengdu Nutrition House Health Technology Co., Ltd (成都营养屋健康科技有限公司) and Chengdu Tengjian Biotechnology Co., Ltd (成都腾健生物科技有限公司).

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
6.	To identify any potential contravention of the applicable listing rules, laws, and regulations as well as to highlight any internal control weaknesses (including recommendations to remedy the control weaknesses identified) noted in the course of the review into the Transactions and the Company's recovery of the Advance Payments (including any escalation to and approval received from the Board).	6.1. Please refer to the Comments column for the potential contravention of the Listing Rules and the Fiduciary Obligations. 6.2. We also noted internal control weaknesses as follows: **(a) No approval matrix governing material transactions/ commitments for escalation to Group Management and Board** i) The 31 March 2019 loan agreements entered into by NFC with MLTY to provide loans of up to RMB 37 million were approved at the subsidiary level and did not require any approval by Group Management. ii) On 30 September 2021, a Board Resolution was passed by NFC whereby: • NFC Board approval would be required on any advances to MLTY, Chengdu Nutrition House Health Technology Co., Ltd and Chengdu Kangqi Trading Co., Ltd exceeding	

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
		RMB 5 million, effective from 1 November 2021, • NutryFarm Board approval would be required on advances to any of the aforementioned three companies exceeding RMB 15 million, effective from 1 November 2021. iii) There was no approval matrix in place, specifying the different types of transactions and the amounts that the subsidiary's management can approve. The 30 September 2021 NFC Board Resolution was only specific to advances to NFC's three business associates. Any transactions that fall within the scope of disclosable and major transactions under the SGX Rulebooks should be escalated to NutryFarm Group Management and Board for approval. iv) Before the Company went into judicial management, we were informed that the Board	

C. Advance Payments to MLTY			
S/N	**Objectives**	**Observations**	**Comments**
		was in the process of reviewing the approval threshold limits around the different transactions/commitments that the subsidiaries could approve or commit.	