

NUTRYFARM INTERNATIONAL LIMITED

(Company Registration Number: 32308)

(Incorporated in Bermuda)

(1) APPLICATION FOR FURTHER EXTENSION OF TIME FOR COMPLIANCE WITH RULES 705(1) AND RULE 705(2) OF THE LISTING MANUAL

(2) REDESIGNATION OF ROLES AND RESPONSIBILITIES OF MANAGEMENT TEAM

The Board of Directors (the “**Board**”) of NutryFarm International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement made on 29 November 2021 (“**29 November Announcement**”) on its application for an extension of time to announce the financial statements for the full financial year ended 30 September 2021 to comply with Rule 705(1) of the Listing Manual. Further to the 29 November Announcement, the Company wishes to inform its shareholders that the Company will be applying to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for a further extension of time to announce the financial statements for the full financial year ended 30 September 2021 (“**FY2021**”) to comply with Rule 705(1) of the Listing Manual, and for an extension of time to announce the 1st quarter financial period ended 31 December 2021 (“**1Q2022**”) to comply with Rule 705(2) of the Listing Manual.

Under Rule 705(1) of the Listing Manual, an issuer must announce the financial statements for the full financial year immediately after the figures are available, but in any event not later than 60 days after the relevant financial period. Under Rule 705 (2) of the Listing Manual, the Company is required to announce the financial statements for each of the first three quarters of its financial year immediately after the figures are available, but in any event not later than 45 days after the end of each quarter. As FY2021 has ended on 30 September 2021, the Company is required under Rule 705(1) of the Listing Manual to announce the full-year financial results for FY2021 (“**FY2021 Results**”) by 29 November 2021, and under Rule 705(2) of the Listing Manual, to announce the financial results for 1Q2022 (“**1QFY2022 Results**”) by 14 February 2022. The Company will be seeking the approval of SGX-ST to announce the FY2021 Results and the 1QFY2022 Results by 15 May 2022.

The reasons for seeking the extension of time under Rules 705(1) and 705(2) are as follows:

1. At the time of the 29 November Announcement, the Board was informed that the Management team needed time to prepare the sales memo which the external auditors had requested for to review revenue recognition issues arising from certain trade transactions undertaken in respect of the export of durian fruits out of Thailand. This had resulted in a delay of the carrying out of the statutory audit.
2. To recapitulate, the Group had set up a subsidiary in Thailand, Global Agricapital (Thailand) Co. Ltd (“**GAT**”) to export durian fruits out of Thailand, and GAT had obtained the necessary export license from the Department of Agriculture of Thailand on 14 September 2021. However, prior to 14 September 2021, the Group did not have the relevant export license, and depended on export agent companies based in Thailand to ship the products to China based on purchase contracts that the Group had entered into with the customers in China.
3. To prepare the financial statements therefore, the Group has to have the accounting records and other relevant information relating to the durians and fruits trading business, *inter alia*, to match the transactions between the Group, the durian plantations, Thailand export agent companies, China import agent companies and the end customers in China.
4. The Board had however, since early December 2021, in the course of getting the Chief Executive Officer (“**CEO**”), Cheng Meng (“**Mr Cheng**”), and Acting Chief Financial Officer (“**CFO**”), Lim Boo Hiong, to finalize the FY2021 Results and the 1QFY2022 Results for the purposes of reporting the FY2021 Results and the 1QFY2022 Results on 14 February 2022, discovered that the accounting records and other relevant information relating to the fruits and trading business, in particular the accounting records of the operations in Thailand, were either incomplete, unavailable or otherwise not adequately maintained.

5. Moreover, part of the proceeds raised from the share placement completed on 15 September 2021 was used to pay the export agent company who had previously paid suppliers on behalf of GAT, but the Group does not appear to have the full set of accounting records and other relevant information required to substantiate or verify this (the accounting records and other relevant information referred to in paragraph 3 and this paragraph 5 to be collectively referred to as the **"Thai Operations Accounting Records"**).
6. The Thai Operations Accounting Records are needed, *inter alia*, for the Company to prepare the unaudited FY2021 Results and the unaudited 1QFY2022 Results and for the Group's external auditors to verify and substantiate the relevant trade and other transactions in order for the external auditors to carry out and complete its audit of the FY2021 Results.
7. The Nominating Committee and the Board has determined that the lack of completeness or availability of the Thai Operations Accounting Records has come about in large part due to an ineffective Management team led by the CEO, further exacerbated by the Acting CFO's sudden resignation whilst the Board was trying to resolve the outstanding issues.
8. While the Board has taken certain steps to address this, as further elaborated below, it would still take some time before matters can be resolved, including the Company having to look for a replacement CFO for the outgoing CFO.
9. Separately, FTI Consulting Pte Ltd (**"FTI"**) has indicated that they will only be able to provide their preliminary findings to SGX in early April 2022 with respect to the notice of compliance from the SGX-ST as announced on 8 September 2021 (**"Independent Review"**) and consequently to the Company thereafter. The assets which are the subject of the Independent Review recorded on the Company's balance sheet is approximately HK\$93.1 million or 288.6% of the Company net assets as at 30 June 2021. Without access to the FTI report, the Company would not be able to ascertain, *inter alia*, whether there may be any potential validity or recoverability issues with regard to these assets, and the potential impact on the presentation of the Company's balance sheet.

Accordingly, more time will be required for the Company to prepare the FY2021 Results and the 1QFY2022 Results.

In light of the above events, to better reflect his primary role and responsibilities during the Review Period (as defined below), Mr. Cheng, the current CEO of the Company will be re-designated as "Executive Director (Thailand operations)" and will at this time, relinquish his role as the CEO, to ensure that the Thai Operations Accounting Records are put in order expeditiously, *inter alia*, to enable the Company and the Group to meet its financial reporting and audit obligations. In this role, his primary responsibility will be to supervise and manage the business operations of the Group's durian trading business in Thailand and to regularize the transaction relationships and records with its counterparties. Mr. Cheng will focus and direct his full attention and efforts on the Thailand operations of the Group's durians and fruits trading business, including to supervise and manage the Thailand finance team and to work with the new CFO (when one is appointed in due course).

In the meantime, Mr. Levin Lee, an existing Executive Director of the Company, will assume certain executive responsibilities previously assumed by Mr. Cheng as CEO during the Review Period (as defined below), including but not limited to the Group's fruit trading business in Singapore and managing the corporate affairs of the Group.

The Board will review the Management team's roles and responsibilities, *inter alia*, upon the Board being satisfied that the Thai Operations Accounting Records are in order and Mr. Cheng has effectively discharged his roles and responsibilities as envisaged above (**"Review Period"**).

The detailed template announcements pursuant to Rule 704(7) of the Listing Manual of the SGX containing the particulars and re-designation of Mr. Cheng will be released separately to the SGX-ST.

There is no change to the composition of the Board Committees.

Consequent to the abovementioned changes in the composition of the Board, the details of the latest composition of the Board with effect from 11 February 2022 shall be as follows:

Board of Directors

1. Mr. Terence Luk Chung Po (Non-Executive Chairman)
2. Mr. Cheng Meng (Executive Director)
3. Mr. Levin Lee Keng Weng (Executive Director)
4. Ms. Lee Pih Peng (Non-Executive Independent Director)
5. Mr. Low Chin Parn Eric (Non-Executive Independent Director)
6. Mr. Lim Swee Hua David (Non-Executive Independent Director)
7. Mr. Ng Poh Khoon Jimmy (Non-Executive Non-Independent Director)
8. Mr. Neo Chee Beng (Non-Executive Non-Independent Director)

BY ORDER OF THE BOARD

Terence Luk Chung Po
Non-Executive Chairman
13 February 2022