



(Registration No: EC 32308)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

Financial statements on combined results of NutryFarm International Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the year end of FY2017 as at 31 March 2017. These figures have not been audited.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

NUTRYFARM INTERNATIONAL LIMITED
Group Income Statement
For the Year Ended 31 March 2017
(Expressed in Hong Kong thousand dollars)

| | FY2017 | FY2016 | Change |
|--|----------|----------|--------|
| | HK\$'000 | HK\$'000 | % |
| Turnover | 79,053 | 83,521 | (5) |
| Cost of sales | (37,387) | (34,191) | 9 |
| Gross profit | 41,666 | 49,330 | (16) |
| Other net income | 733 | 649 | NM |
| Other expenses | (95) | - | NM |
| Distribution expenses | (16,848) | (17,634) | (4) |
| Administrative expenses | (21,130) | (27,936) | (24) |
| Finance costs | (1,146) | (1,520) | (25) |
| Profit from ordinary activities before taxation | 3,180 | 2,889 | 10 |
| Income tax | (1,654) | (2,447) | (32) |
| Net profit for the year | 1,526 | 442 | 245 |
| Attributable to: | | | |
| Equity holders of the Company | 1,355 | (2,331) | NM |
| Non-controlling interest | 171 | 2,773 | (94) |
| Net profit for the year | 1,526 | 442 | 245 |

NM - Not meaningful

1(a) An income statement and statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

NUTRYFARM INTERNATIONAL LIMITED
Group Comprehensive Income Statement
For the Year Ended 31 March 2017
(Expressed in Hong Kong thousand dollars)

| | FY2017 | FY2016 | Change |
|---|----------|----------|--------|
| | HK\$'000 | HK\$'000 | % |
| Net profit for the year | 1,526 | 442 | 245 |
| Other comprehensive loss | | | |
| Exchange differences on translating foreign operations, net of nil tax | (7,868) | (6,465) | NM |
| Total comprehensive loss for the year | (6,342) | (6,023) | 5 |
| Attributable to: | | | |
| Equity holders of the Company | (6,513) | (8,796) | (26) |
| Non-controlling interest | 171 | 2,773 | (94) |
| Total comprehensive loss for the year | (6,342) | (6,023) | 5 |

NM - Not meaningful

Note: Profit for the year attributable to equity shareholders of the Company of HK\$1,355,000 (FY2016: loss HK\$2,331,000) is arrived at after charging:

| | FY2017 | FY2016 |
|---|-----------------|-----------------|
| | HK\$'000 | HK\$'000 |
| Finance costs | 1,146 | 1,520 |
| Impairment losses on trade receivables | 147 | 5,939 |
| Reversal of inventories | (173) | - |
| Amortisation of land use rights | 133 | 141 |
| Amortisation of intangible assets | 3,455 | 3,495 |
| Depreciation of property, plant and equipment | 4,447 | 3,964 |

1(b)(i) A balance sheet (for the Company and Group), together with a comparative statement as at the end of the immediately preceding financial year.

NUTRYFARM INTERNATIONAL LIMITED
Balance Sheet
as at 31 March 2017
(Expressed in Hong Kong thousand dollars)

| | The Group | | The Company | |
|---|---------------------|---------------------|---------------------|---------------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | As at 31/03/2017 | As at 31/03/2016 | As at 31/03/2017 | As at 31/03/2016 |
| Non-current assets | | | | |
| Interests in subsidiaries | - | - | 129,342 | 65,209 |
| Property, plant and equipment | 37,641 | 42,935 | - | - |
| Intangible assets | 42,241 | 46,575 | - | - |
| Long term prepayment | 1,396 | 1,186 | - | - |
| Land use right | 5,677 | 6,145 | - | - |
| | 86,955 | 96,841 | 129,342 | 65,209 |
| Current assets | | | | |
| Inventories | 12,269 | 22,055 | - | - |
| Trade receivables | 37,742 | 39,069 | - | - |
| Prepayments, deposits and other receivables | 11,186 | 79,527 | 126 | - |
| Amounts due from subsidiaries | - | - | 36,082 | 36,082 |
| Cash and cash equivalents | 25,397 | 18,572 | 120 | 42 |
| | 86,594 | 159,223 | 36,328 | 36,124 |
| Current liabilities | | | | |
| Trade and other payables | 23,591 | 27,884 | 4,919 | 4,306 |
| Short term loan | 14,502 | 21,361 | - | - |
| Amount due to subsidiary | - | - | 76,839 | 2,835 |
| Tax payable | 361 | 393 | - | - |
| | 38,454 | 49,638 | 81,758 | 7,141 |
| Net current assets/(liabilities) | 48,140 | 109,585 | (45,430) | 28,983 |
| Non-current liabilities | | | | |
| Dividend payable | - | 67,611 | - | - |
| Net assets | 135,095 | 138,815 | 83,912 | 94,192 |
| Equity | | | | |
| Share capital | 6,428 | 6,428 | 6,428 | 6,428 |
| Reserves | 128,667 | 98,854 | 77,484 | 87,764 |
| Total equity attributable to equity holders of the Company | 135,095 | 105,282 | 83,912 | 94,192 |
| Non-controlling interest | - | 33,533 | - | - |
| Total equity | 135,095 | 138,815 | 83,912 | 94,192 |

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

| As at 31/03/2017 In HK\$'000 | | As at 31/03/2016 In HK\$'000 | |
|---------------------------------|-----------|---------------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 14,502 | - | 21,361 | - |

Amount repayable after one year

| As at 31/03/2017 In HK\$'000 | | As at 31/03/2016 In HK\$'000 | |
|---------------------------------|-----------|---------------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| - | - | - | - |

Details of collaterals

The borrowings of HK\$14.5 million as at 31 March 2017 is secured by the 34,165 square meters land use right and building of NutryFarm (Chengdu) Biomedicine Limited ("NFC").

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

NUTRYFARM INTERNATIONAL LIMITED
Group Cash Flow Statement
For the Year Ended 31 March 2017
(Expressed in Hong Kong thousand dollars)

| | FY2017 HK\$'000 | FY2016 HK\$'000 |
|--|--------------------|--------------------|
| Operating activities | | |
| Profit from ordinary activities before taxation | 3,180 | 2,889 |
| Adjustments for: | | |
| Amortisation of land use right | 133 | 141 |
| Amortisation of intangible assets | 3,455 | 3,495 |
| Depreciation of property, plant and equipment | 4,447 | 3,964 |
| Impairment losses on trade receivables | 147 | 5,939 |
| Interest income | (468) | (249) |
| Interest expense | 1,146 | 1,520 |
| Reversal of inventories | (173) | - |
| Operating profit before changes in working capital | 11,867 | 17,699 |
| Changes in working capital | | |
| Decrease/(increase) in inventories | 8,813 | (1,422) |
| (Increase)/decrease in trade and other receivables | (11,532) | 10,234 |
| Increase in trade and other payables | 2,428 | 786 |
| Currency translation adjustments | (446) | (1,167) |
| Cash generated from operations | 11,130 | 26,130 |
| Tax paid | (1,663) | (2,091) |
| Net cash inflow from operating activities | 9,467 | 24,039 |
| Investing activities | | |
| Interest received | 468 | 249 |
| Purchases of property, plant and equipment | (1,652) | (1,812) |
| Advance payment to non-controlling interest for proposed acquisition of remaining interest in a subsidiary | - | (73,630) |
| Purchases of intangible assets | (376) | (328) |
| Acquisition of a subsidiary, net of cash | 1,512 | - |
| Net cash outflow from investing activities | (48) | (75,521) |
| Financing activities | | |
| Interest paid | (1,146) | (1,520) |
| Proceeds from issuance of new shares | - | 34,889 |
| Drawdown of short term loans | 14,502 | 21,727 |
| Repayment of short term loans | (21,362) | (24,141) |
| Advance received | 5,409 | - |
| Net cash (outflow)/inflow from financing activities | (2,597) | 30,955 |
| Net increase/(decrease) in cash and cash equivalents | 6,822 | (20,527) |
| Cash and cash equivalents at beginning of the year | 18,572 | 39,081 |
| Effect of foreign exchange rate changes | 3 | 18 |
| Cash and cash equivalents at end of the year | 25,397 | 18,572 |

1(d)(i) A statement (for the Company and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with comparative statement for the corresponding period of the immediately preceding financial year.

| The Group | Share Capital | Share Premium | Contribution Surplus Reserve | Exchange Reserve | Accumulated Losses | Total | Non-controlling interest | Total equity |
|--|---------------|---------------|------------------------------|------------------|--------------------|----------|--------------------------|--------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 April 2016 | 6,428 | 300,996 | 119,560 | (4,431) | (317,271) | 105,282 | 33,533 | 138,815 |
| Acquisition of a subsidiary | - | - | - | - | 36,326 | 36,326 | (33,704) | 2,622 |
| Other comprehensive income/(loss) for the year | - | - | - | (7,868) | - | (7,868) | - | (7,868) |
| Net profit for the year | - | - | - | - | 1,355 | 1,355 | 171 | 1,526 |
| At 31 March 2017 | 6,428 | 300,996 | 119,560 | (12,299) | (279,590) | 135,095 | - | 135,095 |

| The Group | Share Capital | Share Premium | Contribution Surplus Reserve | Exchange Reserve | Retained Earnings | Total | Non-controlling interests | Total equity |
|--|---------------|---------------|------------------------------|------------------|-------------------|----------|---------------------------|--------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 April 2015 | 123,988 | 268,107 | - | 2,034 | (314,940) | 79,189 | 30,760 | 109,949 |
| Issurance of shares | 2,000 | 32,889 | - | - | - | 34,889 | - | 34,889 |
| Share Consolidation | (119,560) | - | 119,560 | - | - | - | - | - |
| Other comprehensive income/(loss) for the year | - | - | - | (6,465) | - | (6,465) | - | (6,465) |
| Net (loss) / profit for the year | - | - | - | - | (2,331) | (2,331) | 2,773 | 442 |
| As at 31 March 2016 | 6,428 | 300,996 | 119,560 | (4,431) | (317,271) | 105,282 | 33,533 | 138,815 |

| The Company | Share Capital | Share Premium | Contribution Surplus Reserve | Translation Reserve | Accumulated Losses | Total |
|--|---------------|---------------|------------------------------|---------------------|--------------------|----------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 April 2016 | 6,428 | 300,996 | 119,560 | (1,225) | (331,567) | 94,192 |
| Other comprehensive income/(loss) for the year | - | - | - | (6,444) | - | (6,444) |
| Net profit/(loss) for the year | - | - | - | - | (3,836) | (3,836) |
| At 31 March 2017 | 6,428 | 300,996 | 119,560 | (7,669) | (335,403) | 83,912 |

| The Company | Share Capital | Share Premium | Contribution Surplus Reserve | Translation Reserve | Retained Earnings | Total |
|--|---------------|---------------|------------------------------|---------------------|-------------------|----------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 April 2015 | 123,988 | 268,107 | - | - | (326,765) | 65,330 |
| Issurance of shares | 2,000 | 32,889 | - | - | - | 34,889 |
| Share consolidation | (119,560) | - | 119,560 | - | - | - |
| Other comprehensive income/(loss) for the year | - | - | - | (1,225) | - | (1,225) |
| Net profit/(loss) for the year | - | - | - | - | (4,802) | (4,802) |
| At 31 March 2016 | 6,428 | 300,996 | 119,560 | (1,225) | (331,567) | 94,192 |

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisitions or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the number of issued shares excluding treasury shares and subsidiary holdings of the Company, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During FY2017, the share capital of the Group had no change. The Company has no outstanding convertibles.

During FY2016, the Group undertook a share consolidation on 8 June 2015 to consolidate every 40 shares into 1 new share and to change par value from HK\$0.07 to HK\$0.10. As a result, the Company has 44,281,402 shares after the consolidation. In addition, on 24 June 2015, the Company completed a share placement to issue 20,000,000 shares and the Company has 64,281,402 outstanding shares after share placement.

The Company did not have treasury shares or subsidiary holdings as at 31 March 2017 and 31 March 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 March 2017 was 64,281,402 (31 March 2016: 64,281,402). As at 31 March 2017 and 31 March 2016, there were no treasury shares outstanding.

- 1d(iv) A statement showing all sales, transfers, cancellation, and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 1d(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.**

The figures have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the Company's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation as our last audited annual financial statements have been applied.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Company has no changes in the accounting policies and methods of computation.

6. Earnings/ (loss) per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| | FY2017 | FY2016 |
|---|---------------|---------------|
| | HK cents | HK cents |
| (a) Based on the weighted average number of ordinary shares in issue; and | 2.11 | (3.91) |
| (b) On a fully diluted basis | 2.11 | (3.91) |

Note 6(a): For FY2017, the calculation of basic profit per share was based on profit attributable to equity holders of the Company of HK\$1,355,000 and the weighted average of 64,281,402 ordinary shares in issue.

For FY2016, the calculation of basic profit per share was based on loss attributable to equity holders of the Company of HK\$2,331,000 and the weighted average of 59,678,662 ordinary shares in issue, assuming the share consolidation was effective from the beginning of FY2016.

Note 6(b): Fully diluted profit/(loss) per share for FY2017 and FY2016 are the same as profit/(loss) per share based on weighted average number of ordinary shares since there was no potential dilutive ordinary shares outstanding during FY2017 and FY2016.

7. **Net asset value (for the Company and Group) per ordinary share based on issued share capital of the Company at the end of the (a) current period reported on and (b) immediately preceding financial year.**

| | As at 31/03/2017 | As at 31/03/2016 |
|---|------------------|------------------|
| | HK\$ | HK\$ |
| <u>The Company</u> | | |
| Net asset value per ordinary share based on existing issued share capital | 1.31 | 1.47 |
| <u>The Group</u> | | |
| Net asset value per ordinary share based on existing issued share capital | 2.10 | 1.64 |

The calculation of net asset value per share of the Company is based on the Company's net asset value of positive HK\$83,912,000 (at 31 March 2016: HK\$94,192,000) and 64,281,402 ordinary shares in issue at 31 March 2017 (at 31 March 2016: 64,281,402).

The calculation of net asset value per share of the Group is based on the Group's net asset value of HK\$135,095,000 (at 31 March 2016: HK\$138,815,000) and 64,281,402 ordinary shares in issue at 31 March 2017 (at 31 March 2016: 64,281,402).

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

Income statement

Revenue

In FY2017, the Group recorded revenue of approximately HK\$79.1 million comparing with HK\$83.5 million in FY2016. Majority of the revenue was generated by the Group's subsidiary in NFC. 5.56% decrease of revenue is mainly because the slight drop of imported sales.

Other net income

The Group reported HK\$733,000 in FY2017 compared to HK\$649,000 in FY2016. Other net income recorded in FY2017 mainly represents HK\$468,000 interest income and HK\$173,000 reversal of inventory impairment of NFC.

Operating expenses

In FY2017, the Group reported distribution expenses of approximately HK\$16.8 million as compared to

HK\$17.6 million in FY2016; administrative expenses of approximately HK\$21.1 million in FY2017 as compared to approximately HK\$27.9 million in FY2016.

The Group has no material fluctuation of distribution expenses comparing with FY2016. The Group reported HK\$6.8 million decrease of administrative expenses as compared to FY2016 mainly due to HK\$5.9 million impairment of trade receivables recorded in FY2016.

Finance costs

The Group recorded HK\$1.1 million finance cost in FY2017. It mainly represents the interest paid for the Group's bank loan.

Income tax expense

The Group recorded HK\$1.7 million of income tax expense in FY2017, which represents the income tax charged to NFC due to the operating profit generated in the PRC.

Net profit/ (loss) attributable to shareholders

Overall, the Group recorded a net profit attributable to shareholders of approximately HK\$1.4 million in FY2017 compared to a net loss of approximately HK\$2.3 million in FY2016.

Balance sheet

Intangible assets

Intangible assets decreased by HK\$4.4 million from HK\$46.6 million as at 31 March 2016 to HK\$42.2 million as at 31 March 2017. The decrease of HK\$4.4 million is mainly due to amortisation of intangible assets charged in FY2017 of approximately HK\$3.5 million and translation reserve adjustment of goodwill of HK\$1.2 million.

Intangible assets of HK\$42.2 million as at 31 March 2017 included HK\$41.1 million of goodwill arising from the acquisition of NFC (through the acquisition of NFB) and HK\$1.1 million intangible assets related to software and technology held by the Group.

Long term prepayments

The Group recorded HK\$1.4 million non-current prepayments as at 31 March 2017. This mainly represents the prepayment to acquire new licenses to launch more products by NFC.

Land use right

The Group recorded HK\$5.7 million for land use right as at 31 March 2017. This is held by NFC for its factory and office areas.

Inventories

The Group recorded HK\$12.3 million inventories as at 31 March 2017. This mainly represents the finished

goods, work in progress and raw materials held by NFC. HK\$9.8 million decrease compared with HK\$22.1 million as at 31 March 2016 is mainly because NFC would like to decrease inventory level and enhance cooperation with suppliers. To improve capital efficiency, the Company enhanced customers to place orders in advance in order to maintain lower inventory level.

Trade receivables

The Group recorded HK\$37.7 million trade receivables as at 31 March 2017, which mainly attributed from NFC. It decreased HK\$1.4 million comparing with HK\$39.1 million as at 31 March 2016. The slight decrease is mainly due to the settlement by customers.

Prepayments, deposits and other receivables

The Group recorded HK\$11.2 million prepayments, deposits and other receivables as at 31 March 2017, which is a HK\$68.3 million decrease as compared to HK\$79.5 million as at 31 March 2016. The decrease mainly comprised HK\$73.7 million payment for the acquisition of 45% interest of NutrfyFarm Biomedicine International Limited (“NFB”).

Trade and other payables

Trade and other payables amounted to HK\$23.6 million as at 31 March 2017 has HK\$4.3 million decrease as compared to HK\$27.9 million as at 31 March 2016. The decrease is mainly due to the settlement to suppliers close to the year end.

Short term loans

The Group recorded HK\$14.5 million short term loans as at 31 March 2017 and has HK\$6.9 million decrease due to the repayment to bank. This loan is secured by land use right and office areas held by NFC.

Dividend payable

HK\$67.6 million dividend payable as at 31 March 2016 represents the payable to the vendor of NFC for the accumulated profits of NFC. In FY2017, the Company acquired remaining 45% interests of NFC and the Vendor agreed to waive dividend payables. In FY2017, the Company obtained shareholders' approval to acquire the remaining 45% interest in NFC (held through NFB). Pending completion of the acquisition, the Company had entered into a deed with the Vendor whereby the Vendor has agreed that for the period from 1 July 2016 until completion, the Company shall be entitled to any and all profits recorded in respect of NFB and its subsidiaries (including, but not limited to, NFC).

Cash Flow Statement

The Group recorded a net cash inflow of HK\$9.5 million from operating activities in FY2017 as compared to a net cash inflow of HK\$24.0 million in FY2016 mainly due to NFC having collected more the trade and other receivables in FY2016.

The Group recorded HK\$48,000 net cash outflow from investing activities in FY2017 as compared to a net cash outflow of HK\$75.5 million in FY2016. It is mainly due to payment of HK\$73.7 million in FY2016 for the proposed acquisition of 45% interests of NFC (through the acquisition of NFB).

The Group recorded HK\$2.6 million net cash outflow from financing activities in FY2017 as compared to a net cash inflow of HK\$31.0 million in FY2016. In FY2017, NFC obtained a HK\$14.5 million bank loan and repaid HK\$21.4 million in FY2017. In FY2016, the Group issued 20,000,000 ordinary shares and received proceeds of HK\$34.9 million.

As at 31 March 2017, the Group remained in a cash balance position of HK\$25.4 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Affected by authorities released Food Security Law and Advertisement Law in FY2016, the Group's subsidiary-NFC's revenue dropped significantly in FY2016 and continuously in FY2017. Except customers relying on social media, other customers' revenue decreased slightly in FY2017. NFC already adjusted its revenue structure to focus on self-manufactured products and expanded business in further business channels including super markets, fitness institutions, organic food stores, clinics and internet sales. Encouraged customers to place purchases in advance in order to decrease inventory level and increase capital profitability.

NFC would like to revert its focus on joint health, skin enhanced, diabetes and weight losses. In FY2017, NFC succeeded to achieve 2 licenses and has 11 licenses application expected to be approved in FY2018.

Meanwhile, NFC will develop its e-commerce business model as well. Main customers and distributors will still be the major part of revenue contribution in the coming years.

11. Dividend

(a) Current financial period reported on.

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended during the period under review.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions.

PART II. ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited annual financial statements with comparative information for the immediately preceding year.**

| | FY2017 | FY2016 |
|--|---------------|---------------|
| | HK\$'000 | HK\$'000 |
| Revenue | | |
| PRC | 79,053 | 83,521 |
| Hong Kong | - | - |
| | <u>79,053</u> | <u>83,521</u> |
| | | |
| Profit / (loss) before taxation | | |
| PRC | 10,967 | 12,259 |
| Hong Kong | (7,787) | (9,370) |
| | <u>3,180</u> | <u>2,889</u> |
| | | |
| Capital expenditure | | |
| PRC | 1,890 | 2,140 |
| Hong Kong | 138 | - |
| | <u>2,028</u> | <u>2,140</u> |

Note: Capital expenditure comprises additions to property, plant and equipment and intangible assets.

| | | |
|-----------------------|----------------|----------------|
| Segment assets | | |
| PRC | 168,165 | 176,778 |
| Hong Kong | 5,384 | 79,286 |
| | <u>173,549</u> | <u>256,064</u> |

- 15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to section 8 above.

16. A breakdown of sales as follows:-

| | FY2017 HK\$'000 Group | FY2016 HK\$'000 Group | Change % |
|--|-----------------------------|-----------------------------|-------------|
| Sales reported for first half year | 40,890 | 46,097 | (11) |
| Operating profit/(loss) after tax before deducting non-controlling interest reported for the first half year | (503) | 903 | (156) |
| Sales reported for second half year | 38,163 | 37,424 | 2 |
| Operating profit/(loss) after tax before deducting non-controlling interests reported for the second half year | 1,858 | (461) | (503) |

NM - Not Meaningful

17. A breakdown of the total annual dividend (in dollar value) for the Company's latest full year and its previous year as follows:

Not applicable.

18. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13).

There are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13).

19. Confirmation pursuant to Rule 720(1)

NutryFarm International Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

By Order of the Board

Gao Xiang Nong, Paul

Executive director

29 May 2017