

NUTRYFARM INTERNATIONAL LIMITED
(Under Judicial Management)
(Company Registration Number: 32308)
(Incorporated in the Bermuda)

**MATERIAL VARIANCE BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

The judicial manager (the “**Judicial Manager**”) of NutryFarm International Limited (the “**Company**”) together with its subsidiaries refers to the audited financial statements in the Company’s annual report for the financial year ended 30 September 2021 (the “**Audited Financial Statements**”) and the announcement on the unaudited financial statements for the financial year ended 30 September 2021 released on 15 May 2022 (the “**Unaudited Financial Statements**”).

Pursuant to Rule 704(6) of the Listing Rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Judicial Manager presents the material variances between the Audited Financial Statements and the Unaudited Financial Statements after the completion of the financial audit by the Company’s external auditor.

The Judicial Manager highlights that the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for FY2021 were prepared by the management of the Company based on records and financial information available. The Judicial Manager is not in a position to provide representations, warranties, or assurances regarding the accuracy, completeness, or compliance of these financial statements with International Financial Reporting Standards.

The Judicial Manager does not make or purport to make any statement in the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for FY2021, or any statement upon which a statement in the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for FY2021 is based, and makes no representation regarding any statement in the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for FY2021.

The Judicial Manager expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, in the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for FY2021. For the avoidance of doubt, and as further described below, the Judicial Manager is not in a position to, and does not opine on, the ability of the Group and the Company to continue in operations as a going concern and to meet their financial obligations as and when they fall due.

Trading in the Company’s securities on the SGX-ST had been voluntarily suspended by the Company since 11 April 2022. Although the Company’s shares are under suspension, shareholders and investors are advised to exercise caution when dealing in the Company’s shares and to refrain from taking any action in respect of their shares and/or investment in the Company which may be prejudicial to their interest. Persons, who are in doubt, as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

The details and explanation of the variances between the Audited Financial Statements and the Unaudited Financial Statements are set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

HK\$'000	Note	Audited Financial Statements	Unaudited Financial Statements	Variances
Revenue		98,995	98,994	1
Cost of sales		<u>(68,214)</u>	<u>(68,213)</u>	(1)
Gross profit		30,781	30,781	-
Other income/(expenses)				
- Interest income	1	104	-	104
- Other income	1	1,904	978	926
- Net impairment losses on financial assets	2	(98,600)	-	(98,600)
- Other expenses		-	(1,428)	1,428
Distribution expenses		(6,414)	(6,414)	-
Administrative expenses	2	(28,412)	(127,409)	98,997
Finance costs	3	<u>(9,891)</u>	<u>(7,738)</u>	(2,153)
Loss before tax		(110,528)	(111,230)	702
Tax expense		<u>(925)</u>	<u>(925)</u>	-
Loss for the financial year/period		<u>(111,453)</u>	<u>(112,155)</u>	702

Notes:

1. The Audited Financial Statements has disclosed "Interest income" and "Other income" as separate disclosable items.
2. In the Audited Financial Statements, impairment losses on financial assets are disclosed separately from administrative expenses.
3. In the Audited Financial Statements, the Company recorded additional interest expenses of approximately HK\$2.2 million for a third-party loan.

BALANCE SHEET

HK\$'000	Note	Audited Financial Statements	Unaudited Financial Statements	Variances
Non-current assets				
Investment in subsidiaries		-	-	-
Property, plant and equipment	4	15,294	18,567	(3,273)
Intangible assets		640	640	-
Other receivables		1,202	1,202	-
		<u>17,136</u>	<u>20,409</u>	(3,273)
Current assets				
Inventories		16,642	16,642	-
Trade receivables		16,677	16,441	236
Other receivables		37,133	36,853	280
Amounts due from subsidiaries		-	-	-
Cash and bank balances		48,290	48,469	(179)
		<u>118,742</u>	<u>118,405</u>	337
Current liabilities				
Trade and other payables	5	50,806	56,042	(5,236)
Contract liabilities	5	3,619	322	3,297
Borrowings		97,848	98,027	(179)
Amounts due to subsidiaries		-	-	-
Tax payable		731	3	728
		<u>153,004</u>	<u>154,394</u>	(1,390)
Net current liabilities		(34,262)	(35,989)	1,727
Non-current liabilities				
Finance lease payables		-	83	(83)
Borrowings		43,594	44,165	(571)
		<u>43,594</u>	<u>44,248</u>	(654)
Net liabilities		(60,720)	(59,828)	(892)
Equity				
Share capital		13,742	13,742	-
Other reserves	6	421,075	422,669	(1,594)
Accumulated losses	7	(495,562)	(496,264)	702
Equity attributable to equity holders of the Company		(60,745)	(59,853)	(892)
Non-controlling interests		25	25	-
Total deficit		<u>(60,720)</u>	<u>(59,828)</u>	(892)

Notes:

4. In the Audited Financial Statements, the Company recorded a further decrease of approximately HK\$3.3 million due to the transfer of property, plant, and equipment related to the internet business to a third-party vendor.
5. In the Audited Financial Statements, the Company reclassified approximately HK\$3.3 million from Trade and Other Payables to Contract Liabilities.
6. The variance in Other Reserves is attributed to a decrease in the currency translation reserve of approximately HK\$1.6 million, arising from the revaluation of foreign currency balances.

7. The variance in Accumulated losses have been clarified in the above consolidated statement of profit or loss.

**Submitted by the Judicial Manager
For and on behalf of the Company**

Ellyn Tan Huixian
25 February 2025