

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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Board of Directors (the “**Board**”) of NutryFarm International Limited (the “**Company**”), and together with its subsidiaries, refers to its annual report in respect of the financial year ended 31 March 2019 (the “**2019 Annual Report**”). In this regard, the Board would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (“**SGX**”) on 29 July 2019 (the “**SGX Queries**” and each an “**SGX Query**”) as follows:

SGX Query (a)

Guideline 9.3 of the Code of Corporate Governance 2012 (the “**Code**”) states that the company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. Companies need only show the applicable bands. There should be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).

As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel.

As required under Listing Rule 1207(12), please make disclosure as recommended in the Code; or otherwise disclose and explain any deviation from the recommendation.

Company's Response to SGX Query (a)

The breakdown, showing the level and mix of the top key management personnel who are not directors or CEO in remuneration bands of S\$250,000 for the financial year ended 31 March 2019 (“**FY2019**”) is reproduced below for reference:

Remuneration bands	Salary (%)	Performance bonus (%)	Benefits in kind (%)	Stock options, share based incentives and awards, and other long-term incentives (%)	Total (%)
Below S\$250,000					
Andy Xu Peng	100	-	-	-	100
Chen Yao Ming	-	-	-	-	-

The Company would like to clarify that there are 2 key management personnel in the Group – Mr. Andy Xu and Dr. Chen Yao Ming. In FY2019, the Company had paid an aggregate amount of HKD840,000 to Mr. Andy Xu Peng as salary in FY2019. Dr. Chen Yao Ming did not receive any remuneration for his services in FY2019.

SGX Query (b)

Please make disclosure as required under Listing Rule 1207(20) and where proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied.

Company's Response to SGX Query (b)

Please refer to below breakdown of the proceeds of Rights Issue for working capital in FY2019:

	FY2019
	HKD'000
Professional fees	1,903
Director fee	456
Salary	1,252
Rent	381
Other miscellaneous expenses	387
Total	<u>4,379</u>

SGX Query (c)

With reference to the audited consolidated cash flow statement on pages 44 to 45 of the Company's 2019 Annual Report, please provide an explanation for the material difference in the amount of the following items, as compared to the unaudited financial results announcement of the Company for the financial year ended 31 March 2019:-

- i. The net cash flows generated from operating activities of approximately HK\$13,612,000 as compared to the amount of HK\$11,183,000.

Company's Response to SGX Query (c)

The difference is mainly due to the reclassification of the following items from under the category of "**Cash flows from operating activities**" in the Company's unaudited financial results announcement dated 29 May 2019 in respect of FY2019 (the "**Results Announcement**") to the category of "**Cash flows from financing activities**" in the 2019 Annual Report:

- (i) An amount of HK\$2,946,000 was reclassified from line item "**Trade and other payables**" (on page 6 of the Results Announcement) to the line item "**Interest paid**" (on page 45 of the 2019 Annual Report; see also note 21 on page 83 of the 2019 Annual Report); and
- (ii) An amount of HK\$685,000 was reclassified from line item "**Trade and other payables**" (on page 6 of the Results Announcement) to the line item "**Proceeds from Director of the Company**" (on page 45 of the 2019 Annual Report; see also note 21 on page 83 of the 2019 Annual Report).

BY ORDER OF THE BOARD

Paul Gao Xiangnong

Chief Executive Officer and Executive Director
30 July 2019