

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, the “**Group**”) refers to its announcements (the “**Announcements**”) dated 8 January 2021, 13 January 2021 and 25 January 2021. Capitalised terms not otherwise defined herein shall have the meanings respectively ascribed to them in the Announcements. In this regard, the Board would like to respond to the following queries (each, an “**SGX Query**”) raised by the Singapore Exchange Securities Trading Limited (the “**SGX**”) on 26 January 2021 as follows:

A. COMPANY’S SGXNET ANNOUNCEMENTS OF 8 JANUARY 2021 AND 13 JANUARY 2021

SGX Query (a):

With reference to the Company’s Response to (A) SGX Query (a)(1) as stated in the 25 January 2021 announcement, please also clarify the following:-

- (i) identify the legal advisers;
- (ii) the risks related to the import purchase agreement;
- (iii) the justifications as to why the Company is of the view that it is an extension of the current health food/supplement business.

Company’s Response to SGX Query (a)(i)

The Group has approached its legal advisors, Lee & Lee, to prepare the circular for the diversification of the business of the Group.

Company’s Response to SGX Query (a)(ii)

The risks include the following:

- **Inability to secure the quantities required.** In the event that the Group is unable to secure the quantity of containers during the delivery period, the Group may be susceptible to litigation risks. However, based on the current climate in Thailand, the Group is confident to secure the quantities stated during the stated period.
- **Inability to secure attractive prices.** In the event that the Group is unable to secure attractive prices of the products to be delivered, the Group may not be able to enjoy profits and/or encounter losses due to the transaction. However, based on the current climate in Thailand, the Group is confident to complete the transactions with a gross margin.
- **Inability to collect monies.** As Moonda (Beijing) Agriculture Science and Technology Co., Ltd (“**Moonda**”) only provides a 30% down-payment, there is a risk that Moonda may not pay the remainder upon receipt of the delivery. This is mitigated by the fact that the 200 containers will not be delivered in one delivery but over an extended timeline over the delivery period. Each transaction is expected to be no longer than 2 weeks from down-payment to shipment to delivery and final payment. The Group will manage the credit exposure to Moonda based on the shipments.

The Group is not expected to encounter any shipping risks as the shipment will be paid by Moonda including the insurance coverage.

More detailed risk factors in respect of this business would be included in the diversification circular to be prepared by the Group.

Company's Response to SGX Query (a)(iii)

The Company is in the business of manufacturing, sales and distribution of nutritional and health food business. The trading and distribution of fresh fruits to China is an extension as it capitalizes on the Group's understanding of food certifications and connections in China. However, the handling of fresh fruit and trading will require additional capabilities and experience which the Group will leverage on the leadership of Mr Cheng, its new CEO.

SGX Query (b)

With reference to the Company's Response to (A) SGX Query (a)(2) as stated in the 25 January 2021 announcement, please advise as to when the Company is intending to seek shareholder's approval for the diversification in view of the Group's intention to build these capabilities.

Company's Response to SGX Query (b)

The Group is targeting to submit the circular for SGX approval no later than 15 February 2021 and for the EGM to be no later than 30 March 2021.

SGX Query (c)

With reference to the Company's Response to (A) SGX Query (a)(3) as stated in the 25 January 2021 announcement, please provide information on the past relationship (including business relationship) between Moonda and Mr Cheng, Management and/or the Board of the Company (if any).

Company's Response to SGX Query (c)

Moonda has no past relationship (including business relationship) with Mr Cheng, Management and/or the Board of the Company.

By Order of the Board

Cheng Meng

Chief Executive Officer and Executive Director

28 January 2021