

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

CLARIFICATION ANNOUNCEMENT WITH RESPECT TO BUSINESS TIMES ARTICLE

The Board of Directors (the “**Board**”) of NutryFarm International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Business Times article titled “NutryFarm unit could lose 33.4 million yuan on durian delivery shortfall compensation” published on 27 May 2022.

The Company notes that the article stated, *inter alia*, that GAT faces the prospect of having to compensate 2 of its customers a total of 33.4 million yuan (S\$6.8 million) due to a shortfall in delivery.

The Company notes that the Business Times article was written with reference to the 27 May 2022 announcement made by the Company, and that the Business Times had published an incomplete article that has left out certain pertinent and crucial points such as (i) there are no commitments or requirements on minimum quantity and/or delivery by GAT and there are no compensation clauses in the purchase agreements known to the Company of which were announced accordingly on SGX; (ii) the Settlement Agreements and the terms therein including the compensation were entered into without the knowledge of the Company; and (iii) the Company is contemplating taking legal actions on the matter.

The Company further clarifies that the two Settlement Agreements were dated 27 January 2022 and 28 January 2022 but these were only made known to the Company on 23 May 2022. The Company were never informed nor consulted of such negotiations or discussions with the Customers, and there were neither any information, notifications nor indications that the Settlement Agreements including the terms therein, were being contemplated and agreed. As such, given the alleged wilful withholding of such material information by Cheng Meng and his total disregard to the Company in acting alone in accepting and executing the Settlement Agreements, the Company believes that the Settlement Agreements and the circumstances surrounding the Settlement Agreements may have been fraudulent and therefore requires further investigation.

The Company also notes that this matter is further evidence of Cheng Meng’s failure and incompetency leading to the mismanagement of the Thailand operations and that the Thai Durian Business operated and overseen by him could have been fraudulent and might not be genuine.

The Company has announced its restated results for the third-quarter 3 months ended 30 June 2021 and the results for the financial year ended 30 September 2021, which have excluded all of the Thai Durian Business operated and overseen by Cheng Meng which cannot be verified nor substantiated, and will continue to do so for the financial results moving forward. As such, the events of GAT will not have any financial impact to the Group’s financial results.

Lastly, the Company holds Cheng Meng personally responsible for the Settlement Agreements, including the compensation and penalty amounts therein, all economic and financial losses suffered and that will be suffered by the Company and the Group, and any fiduciary and regulatory breaches as a result of his actions. The Company is currently contemplating making reports to the relevant authorities in the relevant countries and taking legal actions against Cheng Meng.

The Company will release further announcements via SGXNET as and when there are material developments in relation to the above.

Trading in the Company’s securities on the SGX-ST had been voluntarily suspended by the Company since 11 April 2022.

BY ORDER OF THE BOARD

Wu Yongqiang
Executive Chairman
29 May 2022