

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 18 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 21 January 2021 as follows:

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

SGX Query (a)

- (a) Please disclose your responses for #1 to #4. below via a clarification announcement and address the additional queries set out in green as well.

Company’s Response to SGX Query (a)

The Company has extracted its responses to SGX’s previous queries to the announcement of 8 January 2021 as follows:

SGX Query 1: Noting the group’s principal activities of research and development, production of health food, sale of self produced products and provision of related technical services, please clarify whether the import purchase agreement (the “**Agreement**”) between Global Agricapital Holdings Pte. Ltd (“**Global Agricapital**”) and Moonda (Beijing) Agriculture Science and Technology Co., Ltd. (“**Moonda**”) is a diversification of the business of the Group and should be subject to shareholders’ approval.

Company’s Response: While the current risk profile of the Group has not changed as the current deals are opportunistic, and the management/board believe that the trading of fruit business is an extension of the current health food/supplements and complementary business. The Group believes that there is growth in this sector and is in discussion with its legal advisers to seek shareholders’ approval for the diversification into the new business.

SGX Query 2: Please clarify whether and how the Group possesses the requisite experience and expertise to engage in the business of fresh durians.

Company’s Response: The Group’s substantial shareholder and CEO, Mr Cheng Meng has extensive experience in the plantation, trading and processing of durians. It is the Group’s intention to build these capabilities under his leadership and capitalise on his business relationships.

SGX Query 3: Please provide the rationale for Moonda to engage Global Agricapital to purchase 200 containers of fresh durians for the period from 5 Jan 2021 to 30 Apr 2021.

Company’s Response: Moonda is a Chinese based importer of durians with over RMB400mil of trading volume in FYE 2019. It has however no operations in Thailand. Due to the COVID situation in Thailand, it has been increasingly difficult to source for fresh durians to meet its requirements. They have approached Mr Cheng to

meet their supply requirements. In turn, Mr Cheng has requested that Moonda work with Global Agricapital so that the Group will be able to capitalise on the opportunity.

SGX Query 4: Please clarify whether Global Agricapital possesses the necessary licenses and/or regulatory approvals to perform its obligations under the Agreement.

Company's Response: Global Agricapital is purely a trading company and does not require any licenses and/or regulatory approvals. It will be working with local Thailand exporters and licensed Chinese importers to execute the Agreement.

SGX Query (b)

- (b) Please clarify the classification of the import purchase agreement (the "Agreement") between Global Agricapital Holdings Pte. Ltd ("Global Agricapital") and Moonda (Beijing) Agriculture Science and Technology Co., Ltd. ("Moonda") pursuant to Chapter 10 Part IV Classification of Transactions of the SGX-ST Listing Manual. In this regard, please provide the relevant disclosures pursuant to Chapter 10 of the SGX-ST Listing Manual, as applicable.

Company's Response to SGX Query (b)

Rule 1002(1) provides that the definition of "transaction" excludes a transaction which is, or in connection with the ordinary course of its business or of a revenue nature. As Chapter 10 is not intended to apply to revenue contracts and as the import purchase agreement is of a purely revenue nature, the execution of this contract will not fall under the definition of "transaction" and Chapter 10 of the SGX Listing Manual will not apply to it.

B. COMPANY'S SGXNET ANNOUNCEMENT OF 18 JANUARY 2021

SGX Query (a)

- (a) Please clarify the classification of the import purchase agreement (the "Agreement") between Global Agricapital Holdings Pte. Ltd ("Global Agricapital") and Shanghai Yuqu Trading Co., Ltd pursuant to Chapter 10 Part IV Classification of Transactions of the SGX-ST Listing Manual. In this regard, please provide the relevant disclosures pursuant to Chapter 10 of the SGX-ST Listing Manual, as applicable.

Company's Response to SGX Query (a)

Rule 1002(1) provides that the definition of "transaction" excludes a transaction which is, or in connection with the ordinary course of its business or of a revenue nature. As Chapter 10 is not intended to apply to revenue contracts and as the import purchase agreement is of a purely revenue nature, the execution of this contract will not fall under the definition of "transaction" and Chapter 10 of the SGX Listing Manual will not apply to it.

SGX Query (b)

- (b) Please clarify whether the binding import purchase agreement ("Agreement") with Shanghai Yuqu Trading Co., Ltd is a diversification of the business of the Group and should be subject to shareholders' approval. If shareholders' approval is being sought for the diversification of the business of the Group, please also clarify the following:
- i. Identify the legal advisers;
 - ii. the risks related to the import purchase agreement; and
 - iii. when the Company is intending to seek shareholders' approval for the diversification in business.

Company's Response to SGX Query (b)(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 (b)(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 Shanghai Yuqu Trading Co., Ltd ("**Yuqu**") only provides a 30% down-payment, there is a risk that Yuqu may not pay the remainder upon receipt of the delivery. This is mitigated by the fact that the 180 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 Yuqu based on the shipments.

The Group is not expected to encounter any shipping risks as the shipment will be paid by Yuqu 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 (b)(iii)

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)

- (c) The 18 January 2021 SGXNet announcement states:- "*Under the Agreement, Yuqu has entrusted Global Agricapital to purchase 180 containers of fresh durians.*" Please clarify whether and how the Group possesses the requisite experience and expertise to engage in the business of fresh durians.

Company's Response to SGX Query (c)

The Group's substantial shareholder and CEO, Mr Cheng Meng, has extensive experience in the plantation, trading and processing of durians. It is the Group's intention to build these capabilities under his leadership and capitalise on his business relationships.

SGX Query (d)

- (d) The 18 January 2021 SGXNet announcement states:- "*Under the Agreement, Yuqu has entrusted Global Agricapital to purchase 180 containers of fresh durians..... The delivery period shall be from 20 February 2021 to 21 May 2021.*" Please provide the rationale to

engage Global AgriCapital to purchase the 180 containers of fresh durians for the period from 20 February 2021 to 21 May 2021.

Company's Response to SGX Query (d)

Due to the COVID situation in Thailand, it has been increasingly difficult to source for fresh durians to meet its requirements. They have approached Mr Cheng to meet their supply requirements. In turn, Mr Cheng has requested that Yuqu work with Global Agricapital so that the Group will be able to capitalise on the opportunity.

SGX Query (e)

(e) Please clarify whether Yuqu has any past/current relationship (including business relationship) with Management and/or Board of the Company (if any).

Company's Response to SGX Query (e)

Yuqu has no previous dealings with the Management and/or the Board of the Company.

SGX Query (f)

(f) Please clarify whether Global Agricapital possesses the necessary licenses and/or regulatory approvals to perform its obligations under the import purchase agreement.

Company's Response to SGX Query (f)

Global Agricapital is purely a trading company and does not require any licenses and/or regulatory approvals. It will be working with local Thailand exporters and licensed Chinese importers to execute the Agreement.

By Order of the Board

Cheng Meng

Chief Executive Officer and Executive Director
25 January 2021