

## NUTRYFARM INTERNATIONAL LIMITED

(Incorporated in Bermuda)

(Company Registration Number: 32308)

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### RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE UNAUDITED THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2015

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The Board of Directors (the “**Board**”) of NutryFarm International Limited (the “**Company**”) refers to its announcement (“**Announcement**”) on 11 August 2015 on the release of the unaudited first quarter financial statement and dividend announcement for the three months ended 30 June 2015 (“**1Q2016**”). In this regard, the Board would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited on 18 August 2015 (each, a “**SGX Query**” and collectively, the “**SGX Queries**”) as follows:

#### **SGX Query A**

As required under Listing Rule 704(30), please disclose the use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the prospectus or the announcement of the issuer. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation. In addition to the above Listing Rule requirements, where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

#### **Company’s Response to SGX Query A**

The Company has not utilised any of the IPO proceeds and any proceeds arising from offerings pursuant to Chapter 8 in 1Q2016. As such, Page 29 of the Annual Report of the Company for the financial year ended 31 March 2015, released on 3 July 2015, sets out the relevant information in respect of Company’s use of proceeds, as follows:

*“In FY2013, the Company undertook a placement of 846 million ordinary shares which was completed on 4 May 2012 (the “2013 Placement”). The Company received proceeds of HK\$67.3 million from the 2013 Placement.*

*Pursuant to the NutryFarm acquisition, HK\$45.3 million has been paid to the vendor as consideration and HK\$1.0 million was incurred as expenses in relation thereto. Accordingly, as at 31 March 2013, 68.8% of the net proceeds from the 2013 Placement have been utilised for the NutryFarm acquisition, and 1.8% of the net proceeds from the 2013 Placement have been utilised for working capital requirements.*

*HK\$19.4 million of the remaining consideration for the acquisition of NutryFarm remains to be paid to the vendor under the terms of the acquisition, pending the satisfaction of the profit guarantee relating to NutryFarm as at 31 March 2013. In addition, HK\$8.6 million has been paid for the remaining consideration for acquisition of NutryFarm as NutryFarm achieved profit guarantee from 1 April 2012 to 31 March 2013. HK\$6.2 million has been paid for the remaining consideration for acquisition of NutryFarm as NutryFarm realised profit from 1 April 2013 to 31 March 2014. For more details relating to the acquisition of NutryFarm, please refer to the Company’s circular to shareholder dated 21 July 2014. HK\$1.5 million was incurred as working capital expenses.*

*As a result, as at 31 March 2015, 89.3% of the net proceeds from the 2013 Placement have been utilised for the NutryFarm acquisition, and 3.7% of the net proceeds from the 2013 Placement have been utilised for working capital requirements. HK\$3.1 million proceeds have not been utilised yet.*

*The Company’s cash balance as at 31 March 2015 is HK\$39.1 million. The Company undertook a placement of 10,526,316 shares at the subscription price of S\$0.019 per placement share, which was completed on 11 June 2014. The net proceeds of HK\$1,210,000 raised from the placement have not been utilised.*

*The Company undertook a placement of 20,000,000 shares at the subscription price of S\$0.32 per placement share, which was completed on 24 June 2015. The net proceeds of S\$6,400,000 raised from the placement have not been utilised.”*

**SGX Query B**

As required under Appendix 7.2 Paragraph 13 of the Listing Manual, if the Group has obtained a general mandate from shareholders for IPTs, please present the aggregate value of such transactions as required under Listing Rule 920(1)(a)(ii). If no IPT mandate has been obtained, please make a statement to that effect.

**Company's Response to SGX Query B**

The Company wishes to confirm that, in respect of the disclosure required under Appendix 7.2 paragraph 13 of the Listing Manual, no IPT mandate has been obtained by the Company.

By Order of the Board

**Paul Gao Xiangnong**

Chief Executive Officer and Executive Director

19 August 2015