



(Registration No: EC 32308)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

Financial statements on combined results of NutryFarm International Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the financial year ended 31 March 2019 (“FY2019”). These figures have not been audited.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

NUTRYFARM INTERNATIONAL LIMITED
Group Income Statement
For the Year Ended 31 March 2019
(Expressed in Hong Kong thousand dollars)

	FY2019	FY2018	Change
	HK\$'000	HK\$'000	%
Revenue	44,042	66,896	(34)
Cost of sales	(26,121)	(29,792)	(12)
Gross profit	17,921	37,104	(52)
Other income	6,026	1,790	237
Distribution expenses	(7,718)	(12,052)	(36)
Administrative expenses	(98,180)	(31,705)	210
Finance costs	(7,749)	(2,961)	162
Loss before income tax	(89,700)	(7,824)	1,046
Income tax expense	(1,893)	(456)	315
Loss for the year	(91,593)	(8,280)	1,006
Loss attributable to:			
Equity holders of the Company	(91,593)	(8,280)	1,006
Non-controlling interest	-	-	NM
Loss for the year	(91,593)	(8,280)	1,006

NM - Not meaningful

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

NUTRYFARM INTERNATIONAL LIMITED
Group Statement of Comprehensive Income
For the Year Ended 31 March 2019
(Expressed in Hong Kong thousand dollars)

	FY2019	FY2018	Change
	HK\$'000	HK\$'000	%
Loss for the year	(91,593)	(8,280)	1,006
Other comprehensive (loss)/income			
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation, net of tax	(8,867)	14,721	NM
Total comprehensive (loss)/income for the year	(100,460)	6,441	NM
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(100,460)	6,441	NM
Non-controlling interest	-	-	NM
Total comprehensive (loss)/income for the year	(100,460)	6,441	NM

NM - Not meaningful

1(a) Notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

	FY2019	FY2018
	HK\$'000	HK\$'000
Interest income	(355)	(796)
Interest expense on bank loans	830	809
Interest expense on loans from third parties	6,919	2,152
Depreciation of property, plant and equipment	3,356	3,874
Impairment losses on trade receivables	4,049	6,434
Impairment losses on property, plant and equipment	22,096	-
Impairment losses on intangible assets	43,687	-
Prepayments and deposits written off	-	350
Impairment losses on advance to supplier	5,005	-
Impairment losses on advance to third parties	5,228	-
Write down of inventories	1,073	1,159
Inventories written off	-	1,053
Amortisation of land use rights	134	136
Amortisation of intangible assets	199	163

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

NUTRYFARM INTERNATIONAL LIMITED
Balance Sheet
as at 31 March 2019
(Expressed in Hong Kong thousand dollars)

	The Group		The Company	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
Non-current assets				
Investment in subsidiaries	-	-	76,447	142,201
Property, plant and equipment	10,811	37,766	-	-
Intangible assets	-	46,324	-	-
Non-current prepayments	116,405	1,534	-	-
Deferred tax assets	-	1,933	-	-
Land use right	5,621	6,048	-	-
	132,837	93,605	76,447	142,201
Current assets				
Inventories	12,902	13,256	-	-
Trade receivables	9,492	24,645	-	-
Prepayments, deposits and other receivables	10,957	96,913	133	125
Amounts due from subsidiaries	-	-	150,754	117,328
Tax recoverable	327	-	-	-
Cash and cash equivalents	47,380	36,160	1,555	2,004
	81,058	170,974	152,442	119,457
Current liabilities				
Trade and other payables	20,369	24,539	9,394	8,506
Short term loans	15,105	15,943	-	-
Amount due to subsidiaries	-	-	74,759	89,165
Tax payable	-	10	-	-
	35,474	40,492	84,153	97,671
Net current assets/(liabilities)	45,584	130,482	68,289	21,786
Non-current liabilities				
Long term loans	119,826	65,032	119,826	65,032
	119,826	65,032	119,826	65,032
Net assets	58,595	159,055	24,910	98,955
Equity				
Capital and reserves attributable to equity shareholders of the Company				
Share capital	9,642	9,642	9,642	9,642
Reserves	48,953	149,413	15,268	89,313
Total equity attributable to equity holders of the Company	58,595	159,055	24,910	98,955
Total equity	58,595	159,055	24,910	98,955

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

As at 31/03/2019 In HK\$'000		As at 31/03/2018 In HK\$'000	
Secured	Unsecured	Secured	Unsecured
15,105	-	15,943	-

Amount repayable after one year

As at 31/03/2019 In HK\$'000		As at 31/03/2018 In HK\$'000	
Secured	Unsecured	Secured	Unsecured
-	119,826	-	65,032

Details of collaterals

The borrowings of HK\$15.1 million as at 31 March 2019 is secured by the 34,165 square meters land use right and building of NutryFarm (Chengdu) Biomedicine Limited ("NFC").

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

NUTRYFARM INTERNATIONAL LIMITED
Group Cash Flow Statement
For the Year Ended 31 March 2019
(Expressed in Hong Kong thousand dollars)

	FY2019 HK\$'000	FY2018 HK\$'000
Cash flows from operating activities		
Loss before tax	(89,700)	(7,824)
Adjustments for:		
Amortisation of land use rights	134	136
Amortisation of intangible assets	199	163
Inventories written off	-	1,053
Depreciation of property, plant and equipment	3,356	3,874
Impairment losses on trade receivables	4,049	6,434
Impairment losses on property, plant and equipment	22,096	-
Impairment losses on intangible assets	43,687	-
Prepayments and deposits written off	-	350
Impairment losses on prepayments	5,005	-
Impairment losses on advance to third parties	5,228	-
Interest income	(355)	(796)
Finance costs	7,749	2,961
Write down of inventories	1,073	1,159
Unrealised exchange loss	1,726	2,132
Gain on modification on the terms of loans from third parties	(2,351)	-
Operating cash flows before changes in working capital	1,896	9,642
Changes in operating assets and liabilities		
Inventories	(1,406)	(1,990)
Trade and other receivables	24,063	(14,660)
Trade and other payables	(7,728)	(398)
Currency translation adjustment	(5,232)	923
Cash generated/(used in) from operations	11,593	(6,483)
Income tax paid	(410)	(2,673)
Net cash flows generated/(used in) from operating activities	11,183	(9,156)
Cash flows from investing activities		
Interest received	355	796
Purchase of property, plant and equipment	(460)	(501)
Advance payment to third party for proposed acquisition of a subsidiary/associated company	(32,000)	(59,400)
Purchase of intangible assets	-	(52)
Deposits paid for acquisition of property, plant and equipment	(23,552)	-
Net cash used in investing activities	(55,657)	(59,157)
Cash flows from financing activities		
Interest paid	(830)	(809)
Proceeds from rights issue	-	18,874
Rights issue expenses	-	(1,355)
Drawdown of short term loans	14,993	15,943
Repayment of short term loans	(14,993)	(14,502)
Amount due to director of the Company	(636)	(1,041)
Amount due to director of a subsidiary	-	(735)
Proceed from long term loans	57,078	62,900
Net cash generated from financing activities	55,612	79,275
Net increase in cash and cash equivalents	11,138	10,962
Cash and cash equivalents at beginning of the year	36,160	25,397
Effect of foreign exchange rate changes	82	(199)
Cash and cash equivalents at end of the year	47,380	36,160

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Share Capital	Share Premium	Contributed Surplus Reserve	Translation Reserve	Accumulated Losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2018	9,642	315,301	119,560	2,421	(287,869)	159,055
Other comprehensive loss for the year, net of tax:						
- Currency translation differences	-	-	-	(8,867)	-	(8,867)
Loss for the year	-	-	-	-	(91,593)	(91,593)
At 31 March 2019	9,642	315,301	119,560	(6,446)	(379,462)	58,595

The Group	Share Capital	Share Premium	Contributed Surplus Reserve	Translation Reserve	Accumulated Losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2017	6,428	300,996	119,560	(12,300)	(279,589)	135,095
Issuance of rights issue	3,214	15,660	-	-	-	18,874
Rights issue expenses	-	(1,355)	-	-	-	(1,355)
Other comprehensive income for the year, net of tax:						
- Currency translation differences	-	-	-	14,721	-	14,721
Loss for the year	-	-	-	-	(8,280)	(8,280)
At 31 March 2018	9,642	315,301	119,560	2,421	(287,869)	159,055

The Company	Share Capital	Share Premium	Contributed Surplus Reserve	Translation Reserve	Accumulated Losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2018	9,642	315,301	119,560	1,662	(347,210)	98,955
Other comprehensive loss for the year, net of tax:						
- Currency translation differences	-	-	-	(5,807)	-	(5,807)
Loss for the year	-	-	-	-	(68,238)	(68,238)
At 31 March 2019	9,642	315,301	119,560	(4,145)	(415,448)	24,910

The Company	Share Capital	Share Premium	Contributed Surplus Reserve	Translation Reserve	Accumulated Losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2017	6,428	300,996	119,560	(7,669)	(335,403)	83,912
Issuance of rights issue	3,214	15,660	-	-	-	18,874
Rights issue expenses	-	(1,355)	-	-	-	(1,355)
Other comprehensive income for the year, net of tax:						
- Currency translation differences	-	-	-	9,331	-	9,331
Loss for the year	-	-	-	-	(11,807)	(11,807)
At 31 March 2018	9,642	315,301	119,560	1,662	(347,210)	98,955

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During FY2019, there was no change in the Company's share capital and number of shares. The Company has no outstanding convertibles as at 31 March 2019 and 31 March 2018.

The Company did not have treasury shares or subsidiary holdings as at 31 March 2019 and 31 March 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 31 March 2019 was 96,422,103 (31 March 2018: 96,422,103). As at 31 March 2019 and 31 March 2018, there were no treasury shares outstanding.

1d(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1d(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The Group adopts International Financial Reporting Standard ("IFRS"). The figures have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group's financial statements for the financial year ended 31 March 2019 were prepared in accordance with the International Financial Reporting Standards ("IFRSs"). The Group has performed a detailed analysis of the transition options and other requirements of IFRSs and has determined that there are no significant changes to the Group's current accounting policies under the IFRSs or material adjustments on the initial transition to the new framework.

Other than the adoption of the new IFRSs, amendments and interpretations of the IFRSs which took effect from the current financial year, there were no significant changes in the accounting policies and methods of computation adopted in the financial statements for the current reporting year as compared to the most recent audited financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4 above.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

	FY2019	FY2018
	HK cents	HK cents
(a) Based on the weighted average number of ordinary shares on issue; and	(94.99)	(11.23)
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	(94.99)	(11.23)

Note 6(a): For FY2019, the calculation of basic loss per share was based on loss attributable to equity holders of the Company of HK\$91,593,000 and the weighted average of 96,422,103 ordinary shares in issue.

For the financial year ended 31 March 2018 ("FY2018"), the calculation of basic loss per share was based on loss attributable to equity holders of the Company of HK\$8,280,000 and the weighted average of 73,743,943 ordinary shares in issue.

Note 6(b): Fully diluted loss per share for FY2019 and FY2018 are the same as loss per share based on weighted average number of ordinary shares since there was no potential dilutive ordinary shares outstanding during FY2019 and FY2018.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year:—**

	As at 31/03/2019 HK\$	As at 31/03/2018 HK\$
<u>The Company</u>		
Net asset value per ordinary share based on existing issued share capital	0.26	1.03
<u>The Group</u>		
Net asset value per ordinary share based on existing issued share capital	0.61	1.65

The calculation of net asset value per share of the Company is based on the Company's net asset value of HK\$24,910,000 (at 31 March 2018: HK\$98,955,000) and 96,422,103 ordinary shares in issue at 31 March 2019 (at 31 March 2018: 96,422,103).

The calculation of net asset value per share of the Group is based on the Group's net asset value of HK\$58,595,000 (at 31 March 2018: HK\$159,055,000) and 96,422,103 ordinary shares in issue at 31 March 2019 (at 31 March 2018: 96,422,103).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income statement

Revenue

In FY2019, the Group recorded revenue of approximately HK\$44.0 million compared to HK\$66.9 million in FY2018. Majority of the revenue was generated by the Group's subsidiary, NFC. The 34% decrease in revenue is mainly due to the restrictive regulations imposed by the People's Republic of China ("PRC") authorities on advertisements relating to nutrition products. Since January 2019, the PRC authorities also started to inspect marketing strategies in respect of nutrition products. These have brought significant impact to NFC as well as its customers. Therefore, the Group recorded a material drop of revenue in FY2019.

Other income

The Group reported HK\$6.0 million in other income in FY2019 compared to HK\$1.8 million that in FY2018. Other income in FY2019 included HK\$2.4 million gain on modification of the terms of loans from third parties, HK\$2.1 million foreign exchange gain and HK\$0.8 million government subsidy recognised in NFC.

Operating expenses

In FY2019, the Group reported distribution expenses of approximately HK\$7.7 million as compared to HK\$12.1 million in FY2018; administrative expenses of approximately HK\$98.2 million in FY2019 as compared to approximately HK\$31.7 million in FY2018.

The decrease of HK\$4.4 million of distribution expenses in FY2019 comparing with FY2018 is mainly due to a cut of HK\$2.2 million in staff costs and HK\$1.8 million in marketing, advertisement and travel expenses. The administrative expenses in FY2019 mainly included:

- i) HK\$22.1 million for the impairment of property, plant and equipment. This impairment is because of the drop of revenue generated as well as the drop in gross profit margin achieved by NFC;
- ii) HK\$0.9 million for the impairment of intangible assets and HK\$42.8 million for the impairment of goodwill. Those intangible assets and goodwill are related to the consolidation of NFC. The impairment is due to the significant decrease of revenue generated as well as the drop in gross profit margin achieved by NFC; and
- iii) HK\$4.0 million for the impairment of trade receivables and HK\$10.2 million for the impairment of other receivables due to the long ageing of uncollected and unrecovered items.

Finance costs

The Group recorded HK\$7.7 million in finance costs in FY2019 which is a HK\$4.8 million increase compared to that in FY2018. It mainly represents the interest paid for the short-term loan obtained by NFC and long-term third party loan obtained by the Group which has a maturity period of 3-4 years and annual interest rates of 3.5% to 7.4%.

Income tax expense

The Group recorded HK\$1.9 million of income tax expense which mainly represents reversal of deferred tax assets of HK\$1.8 million.

Net loss attributable to shareholders

Overall, the Group recorded a net loss attributable to shareholders of approximately HK\$91.6 million in FY2019 compared to a net loss of approximately HK\$8.3 million in FY2018.

Balance sheet

Property, plant and equipment

Property, plant and equipment was recorded as HK\$10.8 million as at 31 March 2019, which represents a decrease of HK\$27.0 million as compared to HK\$37.8 million as at 31 March 2018. It included HK\$3.4 million depreciation and HK\$22.1 million impairment of NFC's property, plant and equipment due to the drop of NFC's revenue and gross margin in FY2019.

Intangible assets

The Group recorded no intangible assets as at 31 March 2019 compared to HK\$46.3 million as at 31 March 2018. It is mainly because of the HK\$0.9 million impairment of intangible assets and HK\$42.8 million impairment of goodwill which are from the consolidation of NFC. Those impairment is due to the drop of NFC's revenue and gross margin in FY2019.

Non-current prepayments

The Group recorded HK\$116.4 million in non-current prepayments as at 31 March 2019. It mainly represents the HK\$23.6 million deposits paid for acquisition of property, plant and equipment to expand the Group's internet business, and the HK\$91.4 million refundable deposit for the proposed acquisition of First Linkage Inc.

Land use rights

The Group recorded HK\$5.6 million for land use right as at 31 March 2019. This is held by NFC for its factory and office areas.

Inventories

The Group recorded HK\$12.9 million in inventories as at 31 March 2019. This mainly represents the finished goods, work in progress and raw materials held by NFC. It has no material difference compared to HK\$13.3 million as at 31 March 2018.

Trade receivables

The Group recorded HK\$9.5 million trade receivables as at 31 March 2019, which mainly attributed from NFC. It decreased by HK\$15.1 million from that of HK\$24.6 million as at 31 March 2018. The significant drop of trade receivables is mainly due to the HK\$4.0 million loss in connection with the impairment loss for trade receivables as well as positive collection from NFC's customers.

Prepayments, deposits and other receivables

The Group recorded HK\$11.0 million prepayments, deposits and other receivables as at 31 March 2019. It mainly represents the advance to NFC's business partners.

Trade and other payables

Trade and other payables amounted to HK\$20.4 million as at 31 March 2019, which is HK\$4.1 million decrease from that of HK\$24.5 million as at 31 March 2018. The decrease is mainly due to the settlement made to NFC's suppliers in FY2019.

Short term loans

The Group recorded HK\$15.1 million in short term loans as at 31 March 2019, which were secured by land use right and office areas held by NFC.

Long term loans

The Group recorded HK\$119.8 million in long term payables as at 31 March 2019. It represents a third-party loan obtained by the Company from investors with annual interest rates of 3.5% to 7.4% and maturity periods of three years to four years as well as the accrued interests.

Cash Flow Statement

The Group recorded a net cash inflow of HK\$11.2 million from operating activities in FY2019 as compared to a net cash outflow of HK\$9.2 million in FY2018. It is mainly due to the collection from NFC's customers in FY2019.

The Group recorded HK\$55.7 million net cash outflow from investing activities in FY2019 as compared to a net cash outflow of HK\$59.2 million in FY2018. The investing activities in FY2019 mainly included a HK\$32.0 million refundable deposit for a proposed acquisition of an associated company and HK\$23.6 million of prepayment to purchase property, plant and equipment.

The Group recorded HK\$55.6 million net cash inflow from financing activities in FY2019 as compared to a net cash inflow of HK\$79.3 million in FY2018. In FY2019, NFC obtained HK\$57.0 million in third party loans.

As at 31 March 2019, the Group remained in a cash balance position of HK\$47.4 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In FY2019, the Group recorded HK\$44.0 million revenue from its 100% owned subsidiary – NFC, which is 34% less than that of FY2018. The reason for the decrease is mainly because of several reasons: (1) The PRC authorities have published new Advertisement Law to regulate advertisements relating to nutrition products. To avoid any dispute, NFC has terminated its cooperation with Mrs. Qing Hai, a famous Chinese TV Star. Most of the companies in this industry have decreased their advertisements as well. As the industry is heavily reliant on publicity and advertising, the restriction has led to the drop of revenue of NFC and its customers; (2) Since January 2019, the PRC authorities have started to examine marketing materials and promotional activities relating to nutrition products and this has lasted for months. This has led to the sharp decrease of sales activities; (3) In FY2019, it was very hard for the PRC authorities to approve or renew licenses for nutrition business. Therefore, NFC did not have enough products to sell to maintain its sales volume.

In the future, NFC would like to strengthen local marketing strategy to minimize the impact of the new Advertisement Law. Meanwhile NFC would like to increase the imported sales from North America including flax seed oil, blueberry juice/wine and cranberry cereal etc. To enhance the production capability, NFC started to manufacture some Original Equipment Manufacturer and Original Design Manufacturer business in FY2019.

The key products of NFC will continuously be products for joint, skin enhancement, diabetes, weight-loss, heart, blood vessel and anti-oxidize products etc. as well as some nature foods such as polyprotein powder, nutrition powder, oatmeal and coconut powder etc. The Group believes it will enhance profits in the future.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share cents

(ii) Previous corresponding period cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended during the year under review.

As at the year ended 31 March 2019, the Group has recorded an accumulated loss of HK\$379,462,000. Therefore the Group is focusing on the strategy to enhance the Group's profitability and would declare a dividend if and when the Group achieves enough profits.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for interested person transactions.

- 14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**

Not applicable.

- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

NutryFarm International Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

PART II. ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	FY2019	FY2018
	HK\$'000	HK\$'000
Revenue		
PRC	44,042	66,896
Hong Kong	<u>-</u>	<u>-</u>
	<u>44,042</u>	<u>66,896</u>
(Loss)/profit before taxation		
PRC	(88,627)	5,236
Hong Kong	<u>(1,073)</u>	<u>(13,060)</u>
	<u>(89,700)</u>	<u>(7,824)</u>
Capital expenditure		
PRC	460	501
Hong Kong	<u>-</u>	<u>-</u>
	<u>460</u>	<u>501</u>

Note: Capital expenditure comprises additions to property, plant and equipment and intangible assets.

Segment assets		
PRC	66,192	190,142
Hong Kong	<u>147,703</u>	<u>74,437</u>
	<u>213,895</u>	<u>264,579</u>

- 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to section 8 above.

18. A breakdown of sales as follows:-

	FY2019 HK\$'000 Group	FY2018 HK\$'000 Group	Change %
Sales reported for first half year	21,874	35,033	(38)
Operating profit/(loss) after tax before deducting non-controlling interests reported for the first half year	(3,733)	3,996	(193)
Sales reported for second half year	22,168	31,863	(30)
Operating (loss)/profit after tax before deducting non-controlling interests reported for the second half year	(87,860)	(12,276)	616

NM - Not Meaningful

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—

- (a) Ordinary**
- (b) Preference**
- (c) Total**

Not applicable.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13).

By Order of the Board

Gao Xiang Nong, Paul

Executive director

29 May 2019