



NUTRYFARM INTERNATIONAL LIMITED
(Under Judicial Management)

ANNUAL REPORT 2022





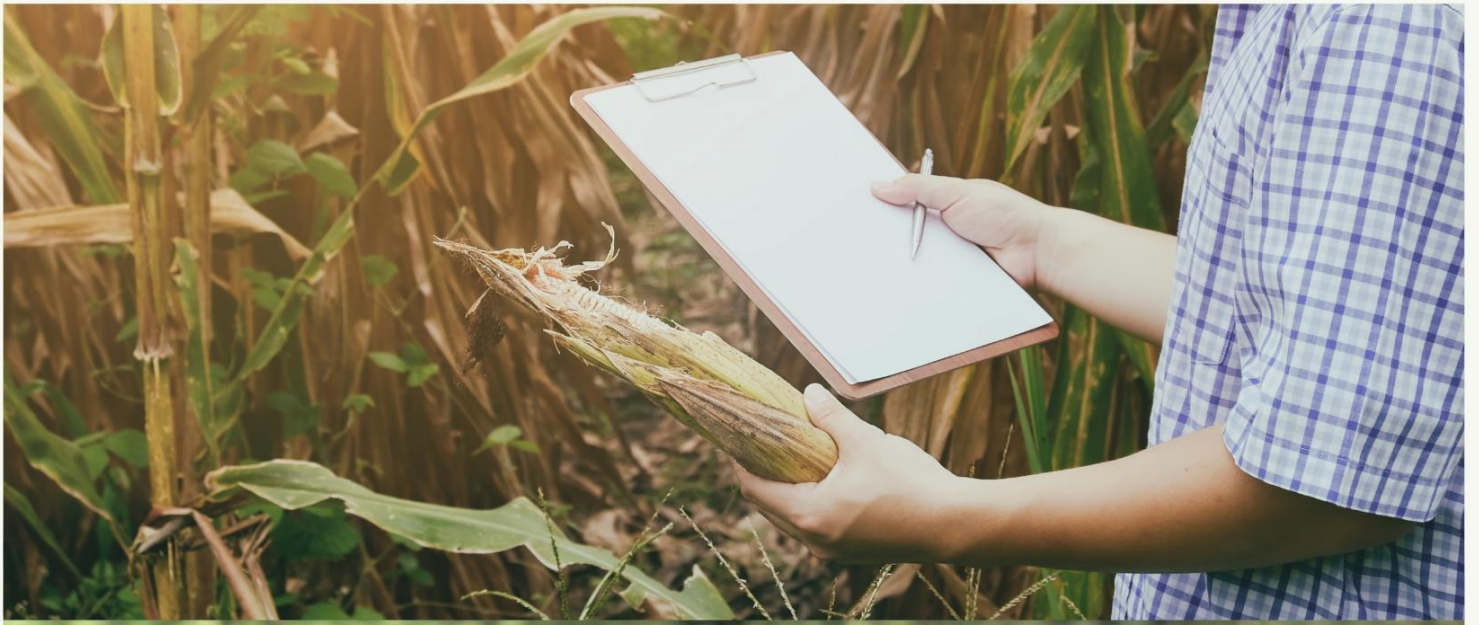
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Corporate Profile

NutryFarm International Limited ("the Company", and together with its subsidiaries, "the Group"), through its wholly-owned subsidiary Nutryfarm Biomedicine International Limited ("NFB"), produces high quality nutrition and health food products formulated mainly from natural traditional medicinal herbs from across the Americas and region in China, Europe, and New Zealand for consumers in the People's Republic of China ("PRC").



Board of Directors

Niu Liming¹

Executive Director and Chief Executive Officer

Er Kwong Wah²

Lead Independent Director

Management Team

Niu Liming¹

Executive Director and Chief Executive Officer

Company Secretary

Virtus Law LLP

8 Marina Boulevard #29-01
Marina Bay Financial Centre Tower 1
Singapore 018981

Registered Office

Victoria Place
5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Principal Share Registrar

Ocorian Management (Bermuda) Limited

Victoria Place
5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Share Transfer Office

**Boardroom Corporate &
Advisory Services Pte. Ltd.**

1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Auditor

Nexia Singapore PAC

Chartered Accountants of Singapore
36 Robinson Road
#11-01 City House
Singapore 068877

Partner-in-charge: Ms Chan Rouh Ting (Appointment effective from financial year ended 30 September 2022)

Notes:

¹ Mr. Niu Liming has been appointed as Executive Director and Chief Executive Officer on 19 December 2022.

² Mr. Er Kwong Wah has been appointed as Lead Independent Director on 23 May 2023.

Judicial Manager's Message

Dear Shareholders

On behalf of the Board of Directors, the Judicial Manager presents the Annual Report and Audited Financial Statements of NutriFarm International Limited (Under Judicial Management) (the "**Company**") and its subsidiaries (the "**Group**") for the financial year ended 30 September 2022.

The Company was placed under judicial management on 28 June 2022 on the Judicial Management Order (the "**JM Order**") and Mr Chan Yee Hong (the "**Former JM**"), care of CLA Global TS Risk Advisory Pte. Ltd. (formerly Nexia TS Risk Advisory Pte. Ltd.), was appointed as the judicial manager of the Company. On 6 September 2023, the Former JM was given leave to resign from office as the judicial manager of the Company, and Ms Ellyn Tan Huixian (the "**Judicial Manager**") care of Forvis Mazars Consulting Pte. Ltd., was appointed as the judicial manager of the Company.

Since then, the Judicial Manager has been managing the affairs and business of the Company in order to achieve, amongst others, the survival of the Company, a more advantageous realisation of the Company's assets and/or a restructuring of the debts and liabilities via a scheme of arrangement with its creditors and new investors.

Risk Management

The Group continues to maintain a disciplined risk-management framework under the direction of the Judicial Manager. Please refer to the accompanying Report on Corporate Governance and Audited Financial Statements for the financial year ended 30 September 2022 for relevant information on the Group's risk management policies and practices.

For the avoidance of doubt and notwithstanding anything in the Audited Financial Statements for the financial year ended 30 September 2022, the Judicial Manager is not in a position to, and does not opine on, the ability of the Group and the Company to continue operations as a going concern and to meet their financial obligations as and when they fall due.

Outlook

I. Updates on the Group's business

On 20 December 2024, through the Company's wholly-owned subsidiary, AI Nova Pte. Ltd. ("**AI Nova**"), AI Nova entered a memorandum of understanding ("**MOU**") with IJM RE Sdn. Bhd. ("**IJM RE**"), a subsidiary of IJM Corporation Berhad, which undertakes investments in real estate properties. Under the MOU, AI Nova and IJM RE expressed their intention to jointly explore the establishment of a green data centre and Artificial Intelligence ("**AI**") computing services centre in Malaysia. The aforementioned MOU expired on 20 June 2025 and is superseded by an MOU between AI Nova Sdn Bhd ("**Malaysia AI Nova**") and Asas Panorama Sdn Bhd ("**APSB**") which was entered into on 17 September 2025 (the "**New MOU**"). APSB is a joint venture between IJM Land Berhad and Beibu Gulf Holding. Under the New MOU, Malaysia AI Nova and APSB agree to cooperate to develop a next-generation computing power centre at the Malaysia-China Kuantan Industrial Park, with the vision of establishing cutting-edge AI computing infrastructure in Southeast Asia.

On 13 January 2025, AI Nova incorporated a wholly-owned subsidiary, Xiongan AI Nova Technology Co. Ltd., in the People's Republic of China. The principal activities of the subsidiary include data centre information system integration services and computing equipment services.

On 30 June 2025, the Company incorporated a wholly-owned subsidiary, AI Nova Sdn. Bhd., in Malaysia. The subsidiary's principal activity is to support potential investments in the technology, media, and telecommunications sector in Malaysia.

In June and July 2025, AI Nova entered into agreements for (a) the supply of cloud-based computing, maintenance and related services by the appointed service provider to AI Nova and (b) the supply of cloud, maintenance and support services by AI Nova to a third-party customer.

II. Resumption of Trading Proposal

Trading of the Company's securities on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") has been suspended since 11 April 2022. The Company had on 27 January 2025 submitted its Resumption of Trading Proposal (the "**ROTP**") to SGX-ST, with further extension of time, first on 12 February 2025 and subsequently on 16 May 2025, to allow for re-submission by 30 June 2025. The Judicial Manager submitted the ROTP on 30 June 2025 and is currently under review by the SGX-ST.

In parallel with the re-submission of the ROTP, the Company executed an Implementation Agreement with Corpbond IV Ltd ("**Corpbond**") on 9 April 2025, with an addendum on 10 October 2025, setting out the principal framework for restructuring the Company's obligations to its major creditor in respect of the conversion debt. The agreement provides for the issuance of conversion shares, the disposal of distressed subsidiaries, and the assignment of certain rights to sue, subject to the fulfilment of various conditions precedent, including approvals from the SGX-ST, the Securities Industry Council ("**SIC**"), and the shareholders.

III. Litigation and Recovery Actions

On 27 June 2025, the Company commenced legal proceedings (the "**Claim**") in the General Division of the High Court of Singapore against six former directors of the Company and two third-parties. The Claim pleads, *inter alia*, breach of fiduciary duties, dishonest assistance, knowing receipt, and unjust enrichment in relation to transactions undertaken in 2017 and 2018, including disbursements aggregating HK\$91,400,000 connected to the proposed acquisition of First Linkage and related arrangements. The statement of claim further addresses advances of RMB26,810,000 to Chengdu Melili Tianyuan Agriculture Co. Ltd. ("**MLTY**"), and alleges that the former directors breached their duty to act in the best interests of the Company by failing to ensure that Nutryfarm (Chengdu) Agricultural Technology Co., Ltd. promptly initiated recovery proceedings against MLTY for the outstanding sum of RMB11,052,000, which remained unpaid as at 30 September 2022.

The Company seeks declaratory relief for breaches of fiduciary duties, dishonest assistance, and knowing receipt, restitution of HKD91,400,000 or other sums disbursed, interest pursuant to Section 12 of the Civil Law Act 1909, costs, and such further relief as the Court deems fit.

IV. Next Steps In Relation of the Judicial Management of the Company

The JM Order of the Company expires on 2 November 2025. On 16 October 2025, the Judicial Manager filed an application for an eighth extension of the JM Order for a further three-month period.

During the period under judicial management, the Company's Board of Directors (the "**Board**") remains functus officio, and the Judicial Manager continues to act in place of the Board to safeguard compliance, ensure continuity, and preserve corporate value.

To facilitate a smooth transition back to normal governance upon discharge of the JM Order, preparations are underway to appoint new members to the Board of Directors, comprising individuals with the requisite professional experience and independence.

The Judicial Manager will continue to provide timely updates via SGXNET as material developments arise. Please take note that the Judicial Manager acts solely as an agent of the Company and disclaims all personal liability. Shareholders and investors who are in doubt as to the actions they should take are advised to consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

Financial Highlights

	1.10.2021 to 30.9.2022 HK\$'000	1.10.2020 to 30.9.2021 HK\$'000
Income statement		
Revenue	33,220	98,995
Loss before tax	(77,622)	(110,528)
Income tax expenses	(3,832)	(925)
Loss after tax	(81,454)	(111,453)
Loss attributable to owners of the parent	(81,454)	(111,450)
Loss attributable to non-controlling interests	-	(3)
Balance Sheet		
Property, plant and equipment	13,986	15,294
Intangible assets	-	640
Other receivables	15,726	38,335
Trade receivables	15,210	16,677
Inventories	15,300	16,642
Cash at bank	34,423	48,290
Total assets	94,645	135,878
Trade and other payables	70,502	50,806
Contract liabilities	-	3,619
Borrowings	153,106	141,442
Tax payable	4,495	731
Provision for employee benefits	20	-
Total liabilities	228,123	196,598
Share capital	13,742	13,742
Other reserves	429,771	421,075
Accumulated losses	(577,016)	(495,562)
Non-controlling interests	25	25
Total equity	(133,478)	(60,720)
Total liabilities and equity	94,645	135,878



Board of Directors

Mr Niu Liming

(Executive Director and Chief Executive Officer)

Mr Niu is the Company's Executive Director and Chief Executive Officer of the Company. He was appointed to the Board on 19 December 2022.

Mr Niu is also the director of Corpbond Holdings Pte Ltd. He is also the director of Corpbond Investments Pte Ltd which provides M&A, corporate restructuring, and business consultancy services.

Mr Niu has more than 20 years of management and investment experience, mainly in M&A, corporate restructuring, project financing, pre-IPO investment, private equity investment, technology transfer, R&D areas.

Mr Niu holds MBA from Business School of University of Strathclyde UK, Master of Science from the Chinese Academy of Sciences, and Bachelor of Science from Qingdao University.

Please note that, while Mr Niu is the Company's Executive Director, the Company's Board is functus officio for as long as the Company remains under judicial management.

Mr Er Kwong Wah

(Lead Independent Director)

Mr Er is the Lead Independent Director of the Company. He was appointed to the Board on 23 May 2023.

Mr Er spent 27 years in the service of the Singapore Government in various ministries including the Ministry of Defense, the Public Service Commission, Ministry of Finance, Ministry of Education and the Ministry of Community Development. He held Permanent Secretary Position first with the Ministry of Education and then with the Ministry of Community Development until his retirement in 1998.

Mr Er had held Board Directorship appointments in numerous companies including Sembawang Marine & Logistics Ltd, Sembawang Engineering, Sembcorp Industries and COSCO Shipping International (Singapore) Co. Ltd. Currently, he is an Independent Director of Luxking Group Holdings Ltd and Metech International Ltd.

Mr Er obtained the Bachelor of Applied Science degree (BASc) with Honors in Electrical Engineering at the University of Toronto, Canada in 1970. He also obtained a Master's in Business Administration (MBA) from the Manchester Business School, University of Manchester in 1978.

Please note that, while Mr Er is the Company's Lead Independent Director, the Company's Board is functus officio for as long as the Company remains under judicial management.

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Condensed Corporate Governance Report

NutryFarm International Limited (Under Judicial Management) (the "**Company**") is committed to achieving a high standard of corporate governance within the Company and its subsidiaries (the "**Group**") by conforming to the principles and the provisions set out in the Code of Corporate Governance 2018 of Singapore (the "**Code**").

This Corporate Governance Report (the "**Report**") summarises the Company's practices that were in place during the financial year ended 30 September 2022 ("**FY2022**"), with reference to the principles and provisions set out in the Code, pursuant to Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Rules**"). The Company has complied with the principles and the provisions of the Code except as otherwise explained. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.

The Company was placed under judicial management on 28 June 2022 on the Judicial Management Order (the "**JMO period**") and Mr Chan Yee Hong, care of CLA Global TS Risk Advisory Pte. Ltd. (formerly Nexia TS Risk Advisory Pte. Ltd.), was appointed as the judicial manager of the Company. On 6 September 2023, Mr Chan Yee Hong (the "**Former JM**") was given leave to resign from office as the judicial manager of the Company, and Ms Ellyn Tan Huixian (the "**Judicial Manager**") care of Forvis Mazars Consulting Pte. Ltd., was appointed as the judicial manager of the Company. Following which, the Judicial Manager has assisted to manage the affairs and business of the Company. Under Section 99(2) of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore (the "**IRDA**"), all powers conferred and duties imposed on the directors of the Company (the "**Board**" or the "**Directors**") by the IRDA, the Companies Act 1967 of Singapore, or by the constitution of the Company, must be exercised and performed by the Judicial Manager and not by the Directors.

As the Board's powers were suspended for at least three (3) months during FY2022 pursuant to the Company being placed under judicial management, the Board is unable to express comment on corporate governance practices during this period.

A. BOARD MATTERS

Principles 1, 2, 3, 4, and 5 of the Code

The following principles were not applicable during the JMO period given there were no board meetings, and all powers conferred and duties imposed on the Directors have been exercised and performed by the Judicial Manager:

- Principle 1: The Board's Conduct of Affairs

Provision 1.5 – Board meetings, attendance and multiple commitments

It is noted that the Board consists of 14 directors in FY2022 as detailed in the table below.

Director	Designation(s)	Date of Appointment	Date of Cessation
Cheng Meng	Chief Executive Officer	6 January 2021	11 February 2022 ¹
	Executive Director	10 December 2020	1 April 2022
	Non-Executive Director	18 November 2020	10 December 2020
Terence Luk Chung Po	Non-Executive Director	8 March 2022	3 October 2022
	Non-Executive Chairman	6 January 2021	8 March 2022
	Chief Executive Officer	6 February 2020	6 January 2021
	Executive Director	14 October 2019	6 January 2021
Ng Poh Khoo Jimmy	Non-Executive Non-Independent Director	1 January 2022	23 September 2022
	Independent Director	1 April 2008	1 January 2022
	NC Chairman	N.A.	27 February 2021
	AC Chairman	N.A.	1 January 2022
	NC member	N.A.	1 January 2022
Neo Chee Beng	RC member	N.A.	1 January 2022
	Non-Executive Non-Independent Director	1 January 2022	1 March 2022
	Independent Director	1 October 2009	1 January 2022
	RC Chairman	N.A.	1 January 2022
	AC member	N.A.	1 January 2022
	NC member	N.A.	1 January 2022

¹ Mr Cheng Meng remained as Executive Director with effect from 11 February 2022 after he stepped down as Chief Executive Officer.

Condensed Corporate Governance Report

Director	Designation(s)	Date of Appointment	Date of Cessation
Xu Hai Min	Non-Executive Director	9 April 2014	30 December 2021
	AC member	N.A.	27 February 2021
	RC member	N.A.	27 February 2021
	NC member	N.A.	27 February 2021
Lee Pih Peng	Independent Director	27 February 2021	21 March 2022
	NC Chairman	27 February 2021	21 March 2022
	AC member	27 February 2021	21 March 2022
	RC member	27 February 2021	21 March 2022
Levin Lee Keng Weng	Executive Director	16 November 2021	19 April 2022
Low Chin Parn Eric	Non-Executive Independent Director	2 January 2022	13 September 2022
	NC member	2 January 2022	13 September 2022
	AC member	2 January 2022	13 September 2022
	RC Chairman	2 January 2022	13 September 2022
Lim Swee Hua David	Non-Executive Independent Director	2 January 2022	12 October 2022
	NC member	2 January 2022	12 October 2022
	AC Chairman	2 January 2022	12 October 2022
	RC member	2 January 2022	12 October 2022
Wu Yong Qiang	Executive Chairman	8 March 2022	21 September 2022
Ng Fang Yao	Non-Executive Independent Director	21 March 2022	19 December 2022
	NC Chairman	21 March 2022	19 December 2022
	AC member	21 March 2022	19 December 2022
	RC member	21 March 2022	19 December 2022
Luo Shiyao	Executive Director	1 April 2022	19 December 2022
Niu Liming	Executive Director, Chief Executive Officer	19 December 2022	Present
Chua Siong Kiat	Non-Executive Independent Director	19 December 2022	4 April 2023

- Principle 2: Board Composition and Guidance
- Principle 3: Chairman and Chief Executive Officer
- Principle 4: Board Membership
- Principle 5: Board Performance

As the Company is under judicial management, the Judicial Manager has reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 September 2022, as well as the Independent Auditor's Report thereon.

B. REMUNERATION MATTERS

Principles 6, 7, and 8 of the Code

The following principles were not applicable during the JMO period as the Board was suspended, and all powers conferred and duties imposed on the Directors were exercised and performed by the Judicial Manager:

- Principle 6: Procedures for Developing Remuneration Policies
- Principle 7: Level and Mix of Remuneration
- Principle 8: Disclosure on Remuneration

Following the resignation of the former Directors and the placement of the Company under judicial management, the Company does not have a Remuneration Committee. Consequently, there were no Board or committee level reviews of remuneration matters in respect of Directors and Key Management Personnel during the period under review.

Condensed Corporate Governance Report

C. ACCOUNTABILITY AND AUDIT

Principle 9 of the Code

- Principle 9: Risk Management and Internal Controls

The Judicial Manager has taken over and is actively involved in the day-to-day affairs and business of the Company. Accordingly, the Judicial Manager has assessed the Company's current risk management and internal control systems and have continued the systems set in place in view of its adequacy and effectiveness.

Principle 10 of the Code

The following principle was not applicable during the JMO period as the Board was suspended, and all powers conferred and duties imposed on the Directors were exercised and performed by the Judicial Manager:

- Principle 10: Audit Committee

Following the resignation of the former Directors and the placement of the Company under judicial management, the Company does not have an Audit Committee. Consequently, there were no review of audit matters by the Board or the Audit Committee during the relevant period.

The Judicial Manager has taken over and is actively involved in the day-to-day affairs and business of the Company. In this capacity, the Judicial Manager has assessed, amongst others, (i) the adequacy and effectiveness of the Company's internal audit function, including its risk management and internal control systems, and has continued the systems set in place in view of its adequacy and effectiveness, (ii) the independence and objectivity of the external auditors and is satisfied with their independence and objectivity, and (iii) the Company's whistleblowing policy and has continued to oversee and monitor the whistleblowing policy.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11, 12, and 13 of the Code

- Principle 11: Shareholder Rights and Conduct of General Meetings
- Principle 12: Engagement with Shareholders

The Judicial Manager aims to provide the shareholders with a balanced and understandable assessment of the Company's and the Group's performance, position, and prospects.

All shareholders are treated fairly and equitably, and the Company facilitates the exercise of ownership rights by all shareholders, by striving to keep shareholders informed, in a timely manner, of changes in the Group or its business which would be likely to materially affect the price or value of the Company's shares.

At general meetings, all shareholders are entitled to attend, participate effectively in and vote at general meetings of shareholders. Where shareholders are unable to attend in person, they are able to appoint a proxy to attend and vote on their behalf. Shareholders are informed of general meetings through the Annual Reports or circulars sent to them, and/or through notices in the newspapers and via SGXNet. The rules governing such meetings and voting procedures are set out in the notice of general meetings. At the general meetings, the voting procedures are explained to shareholders at the start of each meeting, before the resolutions are read out and put to vote.

The Company encourages shareholders to participate and vote at general meetings. Shareholders are informed of the rules, including voting procedures, that govern the general meetings. At Annual General Meetings ("AGM"), all shareholders are given the opportunity to voice their views and to direct queries regarding the Group to the Judicial Manager, who will be present at the AGMs, and is available to address the shareholders' questions.

All shareholders of the Company can download the Annual Report and the notice of the AGM from SGXNet. The notice is also advertised in a local newspaper and made available on the SGXNet at <https://www.sgx.com/securities/company-announcements>.

The Company's Bye-Laws allow the shareholders to appoint proxies to attend and vote in their stead at general meetings. Pursuant to Bye-Law 84 of the Company's Bye-Laws, the shareholders holding two (2) or more shares may appoint not more than two (2) proxies to attend and vote at the same general meeting. When a shareholder appoints more than one (1) proxy, he or she shall specify the proportion of his or her shareholding to be represented by each proxy.

Condensed Corporate Governance Report

The Company has not amended its Bye-Laws to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the shareholders' identities through the web are maintained.

The Company ensures that there are separate resolutions at general meetings on each distinct issue, and puts each resolution to vote by poll, with an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

The AGM for FY2022 of the Company which were supposed to be held by 31 January 2023 were postponed for the reasons set out in the Company's announcements dated 2 December 2022, 15 February 2023, 7 June 2023, 24 July 2023, 12 February 2025, and 14 April 2025, regarding the Company's application to the SGX-ST for extensions of time.

Minutes of general meetings of shareholders, which shall include substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Judicial Manager, would be published on SGXNet as soon as practicable.

The Company does not have a dividend policy currently in place. In deciding whether to declare any dividends in a given financial period, the Company takes into account, *inter alia*, maximising shareholder value in the long term, the profits of the Company in a given year, future development and investment plans of the Company, projected capital expenditure, the market outlook for each of the Company's areas of business, and the Company's expected performance in the coming financial periods. For FY2022, the Company will not be declaring dividends to shareholders.

Although the Company does not have a formal investor relations policy, the Company recognises that effective communication can highlight transparency and enhance accountability to its shareholders and investors. The Company maintains a high standard of disclosure by providing information to its shareholders and investors on a timely basis via SGXNet announcements and press releases. Such information is also available on the Company's website. In disclosing information to its shareholders and investors, the Company aims to be as descriptive, detailed, and forthcoming as possible, so as to, *inter alia*, provide sufficient information to all shareholders and investors to keep them abreast of latest developments in relation to the Company and to facilitate the exercise of ownership rights by all shareholders and investors. The Company ensures that it does not practice selective disclosure of material information. If inadvertent disclosure is made to a select group of shareholders and/or investors, the Company will make the same disclosure publicly to all others as promptly as possible. The Company ensures that price-sensitive information is publicly released and announced on an immediate basis where required under the Listing Rules. Such information includes information relating to changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that shareholders, investors, and the public have fair access to information. At shareholders' meetings, the Judicial Manager also seeks for the views, comments, and input of the Company's shareholders and investors, to better understand and address their specific concerns.

While the Company does not have a dedicated investor relations team, the Judicial Manager actively undertakes efforts to engage with investors. Such investor relations engagement efforts may include meetings with investors.

E. MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13 of the Code

- Principle 13: Engagement with Stakeholders

Apart from shareholder engagement, the Company regards fostering relationships with other stakeholders, such as business partners, surrounding communities, customers, employees, and regulators, an important element in achieving long-term sustainable business performance.

F. MATERIAL CONTRACTS

Listing Rule 1207(8)

The Judicial Manager is not aware of any material contracts entered into by the Company or its subsidiaries and in which the CEO or any director or controlling shareholders were interested in subsisting at the end of FY2022.

Condensed Corporate Governance Report

G. RISK MANAGEMENT

Listing Rule 1207(4)(b)(iv)

The Company does not have a Risk Management Committee. However, the Judicial Manager regularly reviews the Company's business and operational activities to identify areas of significant business risk as well as appropriate measures to control and mitigate these risks.

The Judicial Manager has also taken over and has been actively involved in the day-to-day affairs and business of the Company, and has assessed the Company's current internal audit function, which includes risk management and internal control systems, and has continued the systems set in place in view of its adequacy and effectiveness.

H. INTERESTED PERSON TRANSACTIONS

Listing Rule 907

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Judicial Manager and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. There were no interested person transactions entered into during FY2022.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

Judicial Manager's Statement

The Judicial Manager presents this statement together with the consolidated financial statements of NutryFarm International Limited (Under Judicial Management) (the "**Company**") and its subsidiaries (collectively, the "**Group**") for the financial year ended 30 September 2022 and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 September 2022 ("**FY2022**").

The Company has been placed under judicial management on 28 June 2022 and Mr Chan Yee Hong (the "**Former JM**"), care of CLA Global TS Risk Advisory Pte. Ltd. (formerly Nexia TS Risk Advisory Pte. Ltd.), was appointed as the judicial manager of the Company. On 6 September 2023, the Former JM was given leave to resign from office as the judicial manager of the Company, and Ms Ellyn Tan Huixian (the "**Judicial Manager**"), care of Forvis Mazars Consulting Pte. Ltd., was appointed as the judicial manager of the Company. Since then, the Judicial Manager has been managing the affairs, businesses and properties of the Company in order to achieve, amongst others, the survival of the Company, a more advantageous realisation of the assets of the Company and/or a restructuring of the debts and liabilities via a scheme of arrangement with its creditors and principal lender.

As at the date of this report, the ability of the Group and the Company to continue in operations as a going concern and to meet their financial obligations as and when they fall due is subject to the matters set out in Note 3 to the financial statements. For the avoidance of doubt, and as further described below, the Judicial Manager is not in a position to, and does not opine on, the ability of the Group and the Company to continue in operations as a going concern and to meet their financial obligations as and when they fall due.

Pursuant to Section 99(2) of the Insolvency, Restructuring and Dissolution Act 2018, during the period in which a company is in judicial management, all powers conferred and duties imposed on the directors of the Company by the Insolvency, Restructuring and Dissolution Act 2018 or the Companies Act 1967, or by the constitution of the Company, must be exercised and performed by the Judicial Manager and not by the Directors, but nothing in this subsection of the Insolvency, Restructuring and Dissolution Act 2018 requires the Judicial Manager to call any meetings of the Company. The Judicial Manager acts solely as an agent of the Company and disclaims all personal liability.

The Judicial Manager highlights that the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for FY2022 were prepared by the management of the Company based on records and financial information available. The Judicial Manager is not in a position to provide representations, warranties, or assurances regarding the accuracy, completeness, or compliance of these financial statements with International Financial Reporting Standards. The Judicial Manager does not make or purport to make any statement in the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for FY2022, or any statement upon which a statement in the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for FY2022 is based, and makes no representation regarding any statement in the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for FY2022. The Judicial Manager expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, in the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for FY2022.

Without prejudice to the generality of the foregoing, and notwithstanding anything in the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for FY2022, the Judicial Manager is not in a position to, and does not opine on, the Group's and the Company's ability to continue as going concern.

Further details on the basis of preparation of these financial statements are set out in Note 2.1 and Note 3 to the financial statements.

Directors

The Directors of the Company in office as at the date of this report are:

Niu Liming	Executive Director and Chief Executive Officer (appointed on 19 December 2022)
Er Kwong Wah	Lead Independent Director (appointed on 23 May 2023)

Please note that, while Mr Niu and Mr Er are the Company's directors, the Company's Board is functus officio for as long as the Company remains under judicial management.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

Directors' interests

According to the Register of Directors' Shareholdings kept by the Company, the Directors of the Company who held office at the end of the financial year (including those held by their spouses and infant children) had no interests in shares, debentures, warrants and share options in the Company and the related corporations.

The Directors' interest in the ordinary shares of the Company as at 21 October 2022 were the same as those at 30 September 2022.

Except as disclosed above and under the "Incentive Shares" section of this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Notes 7 and 8 to the financial statements, since the end of the last financial period, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Directors, or with a firm of which he is a member or with a company in which he has substantial financial interest.

Share options

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Incentive shares

The LottVision Incentive Share Scheme (the "**Incentive Share Scheme**") was approved by the shareholders on 29 July 2009.

The Incentive Share Scheme was administered by a Committee comprising the following former Directors prior to the Company being placed under judicial management:

Neo Chee Beng
Xu Hai Min
Jimmy Ng Poh Khoon

As at the date of this report, these former Directors have resigned and the Company was placed under judicial management.

(a) Eligibility

Under the rules of the Incentive Share Scheme, Executive and Non-Executive Directors and employees of the Group, who are not controlling shareholders of the Company and their associates, are eligible to participate in the Incentive Share Scheme.

(b) Size and duration

The aggregate number of shares which may be issued under the Incentive Share Scheme, when added to the number of shares issued and/or issuable in respect of all awards granted thereunder and other shares issued and/or issuable under other share-based incentive scheme of the Company, shall not exceed fifteen per cent (15%) of the issued share capital of the Company on the day preceding in the relevant date of award.

The Incentive Share Scheme shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the Incentive Share Scheme is adopted by the Company in general meeting, provided always that the Incentive Share Scheme may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

(c) Entitlement to awards

Awards represent the right of a participant to receive fully-paid shares free of charge upon the participant satisfying the performance conditions (if any). The Committee administering the Incentive Share Scheme selects performance conditions which are consistent with the Company's business goals and which focus on creating value for shareholders. Such performance conditions can include targets relating to the cash flow and net profits of the Group over specified periods.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

Shares granted during the financial year

No shares were issued under the Incentive Share Scheme during the financial year ended 30 September 2022.

Warrants

There were no warrants granted by the Company during the financial year ended 30 September 2022.

Audit Committee

The Audit Committee comprised three (3) members, who were independent of management within the meaning of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") prior to the Company being placed under judicial management:

Jimmy Ng Poh Khoo (Chairman)
Xu Hai Min
Neo Chee Beng

As at the date of this report, these former Directors have resigned and the Company was placed under judicial management.

On behalf of NutryFarm International Limited (Under Judicial Management)

Ellyn Tan Huixian
Judicial Manager

Date: 27 October 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of NutryFarm International Limited (Under Judicial Management) (the "**Company**") and its subsidiaries (the "**Group**"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 September 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Opening balances

The financial statements for the financial year ended 30 September 2021 were audited by another firm of auditors, who expressed a disclaimer of opinion in their report dated 25 February 2025. An extract of their basis for disclaimer of opinion is disclosed in Note 29 to the financial statements.

In view of the matters described in the *Basis for Disclaimer of Opinion* on the financial statements for the financial year ended 30 September 2021, we were unable to determine whether the opening balances as at 1 October 2021 are fairly stated. As these opening balances as at 1 October 2021 affect the determination of the financial performance, balance sheet, changes in equity and cash flows of the Group and the Company for the financial year ended 30 September 2022, we were unable to determine whether any adjustments might have been necessary in respect to the financial performance, balance sheet, changes in equity and cash flows of the Group and the Company for the financial year ended 30 September 2022.

We also do not express an opinion on the current financial year's financial statements because of the possible effects of these matters on the comparability of the current financial year's figures and the corresponding figures.

2. Limitation of scope

We were unable to, and have not, performed an audit in accordance with the Singapore Standards on Auditing on the consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 September 2022, as the accounting records and supporting documentation necessary for the audit were not made available since the Company was placed under judicial management order from 28 June 2022, as disclosed in Note 1 to the financial statements.

As a result, we were unable to perform audit procedures to determine whether the Group and the Company have rights to, and obligations for, the assets and liabilities; and to verify the occurrences, cut-off, completeness, accuracy, validity, valuation, classification, and disclosure of the transactions and balances presented in the financial statements of the Group and the Company, including the balances and transactions as disclosed in Note 30 to the financial statements. We were also unable to carry out the necessary audit procedures to verify the completeness of the review of subsequent events from 30 September 2022 up to the date of this audit report. Consequently, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements of the Group and the balance sheet and changes in equity of the Company for the financial year ended 30 September 2022.

3. Notice of compliance

As disclosed in Note 30 to the financial statements, as required by Singapore Exchange Securities Trading Limited, an independent reviewer, FTI Consulting Pte Ltd has been appointed to conduct an investigation on events which began prior to year 2019. As of the date of this report, the investigation findings report has not yet been issued. Consequently, we were unable to determine if any adjustments to and additional disclosures in the accompanying financial statements of the Group and the Company might be necessary arising from the findings of the investigation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT)

Report on the Audit of the Financial Statements (continued)

Basis for Disclaimer of Opinion (continued)

4. Contingent liabilities

As disclosed in Note 32 to the financial statements, the Company received Settlement Agreements relating to potential customers compensation. As of the date of this report, no compensation claims have been filed against the Company, and no provision for any liability has been made in these financial statements.

We were unable to obtain sufficient appropriate audit evidence regarding the status and outcome of these potential claims. Consequently, we were unable to determine whether any adjustments might be necessary in respect of these claims, and we do not express an opinion on this matter in the financial statements.

5. Appropriateness of the going concern assumption

As disclosed in Note 3 to the financial statements, the Group incurred a net loss of HK\$81,454,000 (2021: HK\$111,453,000) and recorded net cash outflow from operating activities amounting to HK\$27,340,000 (2021: HK\$3,404,000) for the financial year ended 30 September 2022. As at that date, the Group's total liabilities and current liabilities exceeded its total assets and current assets by HK\$133,478,000 and HK\$148,536,000 respectively (2021: HK\$60,720,000 and HK\$34,262,000). The Company's total liabilities and current liabilities exceeded its total assets and current assets by HK\$166,001,000 and HK\$226,847,000 respectively (2021: current liabilities exceeded the current assets by HK\$10,596,000).

As disclosed in Note 1, the High Court of Singapore granted an order placing the Company under judicial management on 28 June 2022. The Judicial Manager is not in a position to, and does not opine on, the Group's and the Company's ability to continue as going concern. As further disclosed in Note 3, the Group and the Company are currently undergoing restructuring activities, which remain ongoing as at the date of this report. The ability of the Group and the Company to continue as going concerns depends on the successful completion of these restructuring activities, including securing financing from investors and financial institutions to meet their operational and development needs. However, the outcome of the restructuring activities is inherently uncertain, and the actual results of these plans may differ materially from management's assumptions and projections. Due to these material uncertainties and the lack of sufficient appropriate audit evidence to support the feasibility and execution of the restructuring plans, we were unable to conclude on the appropriateness of the use of the going concern basis of accounting.

The financial statements have been prepared on a going concern basis and do not include any adjustments that might be necessary should the Group and the Company be unable to continue as going concerns. If the going concern basis is no longer appropriate, adjustments may be required to reduce the carrying amounts of assets to their recoverable amounts, to provide for further liabilities, and to reclassify non-current assets and liabilities as current. No such adjustments have been made.

Other Matters

The financial statements for the financial year ended 30 September 2021 were audited by another firm of auditors who expressed a disclaimer of opinion on those financial statements in their report dated 25 February 2025.

In our opinion, in view of the significance of the matters referred to in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Companies Act 1981 of Bermuda (the "Act") to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

The engagement partner on the audit resulting in this independent auditor's report is Chan Rouh Ting.

Nexia Singapore PAC
Public Accountants and
Chartered Accountants
Singapore

Date: 27 October 2025

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 September 2022

		Group	
	Note	2022	2021
		HK\$'000	HK\$'000
Revenue	4	33,220	98,995
Cost of sales		(21,147)	(68,214)
Gross profit		12,073	30,781
Other income/(expenses):			
- Interest income		-	104
- Others	5	3,246	1,904
- Net impairment losses on financial assets	25(b)	(35,054)	(98,600)
Distribution expenses		(1,601)	(6,414)
Administrative expenses		(40,480)	(28,412)
Finance costs	6	(15,806)	(9,891)
Loss before tax	7	(77,622)	(110,528)
Tax expenses	9	(3,832)	(925)
Loss for the financial year		(81,454)	(111,453)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation		8,696	2,051
Other comprehensive income for the financial year, net of tax		8,696	2,051
Total comprehensive loss for the financial year		(72,758)	(109,402)
Loss attributable to:			
Equity holders of the Company		(81,454)	(111,450)
Non-controlling interests		-	(3)
Loss for the financial year		(81,454)	(111,453)
Total comprehensive loss attributable to:			
Equity holders of the Company		(72,758)	(109,399)
Non-controlling interests		-	(3)
Total comprehensive loss for the financial year		(72,758)	(109,402)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
Basic and Diluted	10	(59.27)	(97.90)

The accompanying notes form an integral part of these financial statements.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

BALANCE SHEETS

At 30 September 2022

	Note	Group		Company	
		2022	2021	2022	2021
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets					
Investment in subsidiaries	11	-	-	60,846	66,398
Property, plant and equipment	12	13,986	15,294	-	-
Intangible assets	13	-	640	-	-
Other receivables	16	1,092	1,202	-	-
		<u>15,078</u>	<u>17,136</u>	<u>60,846</u>	<u>66,398</u>
Current assets					
Inventories	14	15,300	16,642	-	-
Trade receivables	15	15,210	16,677	-	-
Other receivables	16	14,634	37,133	13	9
Amount due from subsidiaries	11	-	-	-	159,763
Cash and bank balances		<u>34,423</u>	<u>48,290</u>	<u>-</u>	<u>11,248</u>
		<u>79,567</u>	<u>118,742</u>	<u>13</u>	<u>171,020</u>
Current liabilities					
Trade and other payables	17	70,502	50,806	37,466	25,843
Contract liabilities	18	-	3,619	-	-
Borrowings	19	153,106	97,848	121,704	81,878
Amounts due to subsidiaries	11	-	-	67,690	73,895
Tax payable		<u>4,495</u>	<u>731</u>	<u>-</u>	<u>-</u>
		<u>228,103</u>	<u>153,004</u>	<u>226,860</u>	<u>181,616</u>
Net current liabilities		<u>(148,536)</u>	<u>(34,262)</u>	<u>(226,847)</u>	<u>(10,596)</u>
Non-current liabilities					
Borrowings	19	-	43,594	-	43,511
Provision for employee benefits		<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>20</u>	<u>43,594</u>	<u>-</u>	<u>43,511</u>
Net (liabilities)/assets		<u>(133,478)</u>	<u>(60,720)</u>	<u>(166,001)</u>	<u>12,291</u>
Equity					
Share capital	22	13,742	13,742	13,742	13,742
Other reserves	23	429,771	421,075	481,949	468,287
Accumulated losses		<u>(577,016)</u>	<u>(495,562)</u>	<u>(661,692)</u>	<u>(469,738)</u>
Equity attributable to equity holders of the Company		<u>(133,503)</u>	<u>(60,745)</u>	<u>(166,001)</u>	<u>12,291</u>
Non-controlling interests		<u>25</u>	<u>25</u>	<u>-</u>	<u>-</u>
Total (deficit)/equity		<u>(133,478)</u>	<u>(60,720)</u>	<u>(166,001)</u>	<u>12,291</u>

The accompanying notes form an integral part of these financial statements.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 September 2022

Group	Attributable to equity holders of the Company							Non-controlling interests	Total deficit
	Share capital	Share premium	Contributed surplus reserve	Fair value reserve	Currency translation reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Balance at 1 October 2020	9,642	315,301	119,560	(45,505)	(7,531)	(384,112)	7,355	-	7,355
Issuance of ordinary shares (Note 22)	4,100	37,199	-	-	-	-	41,299	-	41,299
Incorporation of a subsidiary	-	-	-	-	-	-	-	28	28
Loss for the financial year	-	-	-	-	-	(111,450)	(111,450)	(3)	(111,453)
Other comprehensive income for the financial year, net of tax:									
- Currency translation differences arising on consolidation	-	-	-	-	2,051	-	2,051	-	2,051
Total comprehensive income/(loss) for the financial year, net of tax	-	-	-	-	2,051	(111,450)	(109,399)	(3)	(109,402)
Balance at 30 September 2021	13,742	352,500	119,560	(45,505)	(5,480)	(495,562)	(60,745)	25	(60,720)
Loss for the financial year	-	-	-	-	-	(81,454)	(81,454)	-	(81,454)
Other comprehensive income for the financial year, net of tax:									
- Currency translation differences arising on consolidation	-	-	-	-	8,696	-	8,696	-	8,696
Total comprehensive income/(loss) for the year	-	-	-	-	8,696	(81,454)	(72,758)	-	(72,758)
Balance at 30 September 2022	13,742	352,500	119,560	(45,505)	3,216	(577,016)	(133,503)	25	(133,478)

The accompanying notes form an integral part of these financial statements.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 September 2022

Company	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus reserve HK\$'000	Currency translation reserve HK\$'000	Accumulated losses HK\$'000	Total equity /((deficit)) HK\$'000
Balance at 1 October 2020	9,642	315,301	119,560	(5,214)	(453,350)	(14,061)
Issuance of ordinary shares	4,100	37,199	-	-	-	41,299
Loss for the financial year	-	-	-	-	(16,388)	(16,388)
Other comprehensive income for the financial year, net of tax:						
- Currency translation differences arising from translation into the presentation currency	-	-	-	1,441	-	1,441
Total comprehensive income/(loss) for the financial year, net of tax	-	-	-	1,441	(16,388)	(14,947)
Balance at 30 September 2021	13,742	352,500	119,560	(3,773)	(469,738)	12,291
Loss for the financial year	-	-	-	-	(191,954)	(191,954)
Other comprehensive income for the financial year, net of tax:						
- Currency translation differences arising from translation into the presentation currency	-	-	-	13,662	-	13,662
Total comprehensive income/(loss) for the financial year, net of tax	-	-	-	13,662	(191,954)	(178,292)
Balance at 30 September 2022	13,742	352,500	119,560	9,889	(661,692)	(166,001)

The accompanying notes form an integral part of these financial statements.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW

For the financial year ended 30 September 2022

	Group	
	2022	2021
	HK\$'000	HK\$'000
Cash flows from operating activities		
Loss before tax	(77,622)	(110,528)
Adjustments for:		
Amortisation of intangible assets	633	65
Loss on disposal of property, plant and equipment	-	58
Depreciation of property, plant and equipment	-	2,551
Net impairment losses on financial assets	35,054	98,600
Impairment losses on advances to supplier, net	-	8,190
Interest income	-	(104)
Interest expense	15,806	9,891
(Write-back of)/inventories written down, net	-	(265)
Foreign exchange (gain)/loss	11,827	(85)
Operating cash flows before changes in working capital	(14,302)	8,373
Changes in operating assets and liabilities:		
Inventories	-	(7,986)
Trade and other receivables	(12,571)	(11,728)
Trade, other payables and contract liabilities	(467)	8,835
Currency translation adjustments	-	(693)
Cash used in operations	(27,340)	(3,199)
Tax paid	-	(205)
Net cash used in operating activities	(27,340)	(3,404)
Cash flows from investing activities		
Interest received	-	104
Purchases of property, plant and equipment	(9)	(3,091)
Repayment from/(advances to) third parties	-	6,268
Repayment from/(advances to) related parties	-	1,264
Prepayment paid for the intangible assets - patents	-	(113)
Net cash (used in)/generated from investing activities	(9)	4,432
Cash flows from financing activities		
Interest paid	-	(1,978)
Drawdown of bank loans	-	15,507
Repayment of bank loans	-	(15,507)
Repayment of lease liabilities	-	(321)
Advances from former director	-	1,802
Drawdown from a related party	16,779	-
Repayment to a related party	-	(770)
Repayment to former director	-	(1,457)
Proceeds from issuance of ordinary shares including share premium	-	41,299
Net cash generated from financing activities	16,779	38,575
Net (decrease)/increase in cash and cash equivalents	(10,570)	39,603
Cash and cash equivalents at beginning of financial year	48,290	8,689
Effect of foreign exchange rate changes	(3,297)	(2)
Cash and cash equivalents at end of financial year	34,423	48,290

The accompanying notes form an integral part of these financial statements.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

NutryFarm International Limited (Under Judicial Management) (the “**Company**”) and its subsidiaries (the “**Group**”) is a company incorporated in Bermuda with limited liability under the Bermuda Companies Act 1981 and has its registered office at Victoria Place, 5th floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The Company’s principal office in Hong Kong is located at Room 1916, 19/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 11.

Judicial management

On 19 May 2022 the Company was served with an originating summons by one of its major creditors, Corpbond IV Ltd (“**Corpbond**”) in the High Court of Singapore, which sought for the Company to be placed under judicial management. The High Court of Singapore granted an interim judicial management order on 10 June 2022, followed by a formal judicial management order on 28 June 2022.

Subsequently extensions of the judicial management order were granted as follows:

- First extension: until 24 June 2023
- Second extension: until 10 August 2023
- Third extension: until 10 November 2023
- Fourth extension: until 10 March 2024
- Fifth extension: until 10 September 2024
- Sixth extension: interim extensions of till 21 October 2024, till 22 October 2024, 28 October 2024, 25 November 2024, 20 January 2025, 3 March 2025, 17 March 2025, 1 April 2025, 2 April 2025 and until 2 July 2025.
- Seventh extension: until 2 November 2025

During the period of the Company under Judicial Management, all powers conferred and duties imposed on the directors of the Company by the Insolvency, Restructuring and Dissolution Act 2018 or the Companies Act 1967 or by the constitution of the Company, must be exercised and performed by the Judicial Manager and not by the directors of the Company, but nothing requires the Judicial Manager to call any meetings of the Company.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in Hong Kong Dollar (“**HK\$**”) and all financial information presented in Hong Kong Dollar are rounded to the nearest thousand (HK\$’000) except when otherwise indicated. The financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and bank balances, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and revised International Financial Reporting Standards and interpretations of the International Financial Reporting Standards Interpretations Committee

(a) *New and amended standards adopted by the Group*

In the current financial year, the Group has adopted all the new and revised IFRS issued by the IASB and interpretations of the International Financial Reporting Standards Interpretations Committee ("**IFRIC Interpretations**") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and IFRIC Interpretations.

The adoption of these new and revised IFRS and IFRIC Interpretations did not have any material effect on the financial results or position of the Group and the Company.

(b) *New standards, amendments and interpretations to existing standards that are issued, revised or amended but are not yet effective*

New standards, amendments to standards and interpretations that have been issued at the date of the authorisation of this financial statements but are not yet effective for the financial year ended 30 September 2022 have not been applied in preparing these financial statements.

Description	Effective for annual periods beginning on or after
Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IFRS 116: Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7: Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7, IFRS 7: Statement of Cash Flows and Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Description	Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual improvements to IFRS – Volume 11	1 January 2026
IFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Group is in the process to assess the impact on the financial performance or financial position of the Group in the period of initial application.

IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 "Presentation of Financial Statements". IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

2.3 Revenue recognition

Sale of goods

The Group transfers control and recognises a sale when goods are delivered to their customers. Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 30 to 90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. A contract liability is recognised when there is advance consideration from customers. For protective reasons, a portion of the contract consideration is received upfront, and the remaining consideration is received from customers when goods are delivered to the customers. As such, no financing component has been recognised as the payment terms are for reasons other than financing.

Interest income

Interest income is recognised using the effective interest method.

2.4 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's balance sheet, investment in subsidiaries is accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2.6(a). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

2.5 Basis of consolidation (continued)

All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard. In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to equity holders of the Company.

When a change in the Company's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interests and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated profits if required by a specific IFRS.

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

Consolidation of the subsidiaries in the People's Republic of China (the "PRC or China") are based on the subsidiaries' financial statements prepared in accordance with IFRS. Profits reflected in the financial statements prepared in accordance with IFRS may differ from those reflected in the PRC statutory financial statements of the subsidiaries, prepared for PRC reporting purposes. In accordance with the relevant laws and regulations, profits available for distribution by the PRC subsidiaries are based on the amounts stated in the PRC statutory financial statements.

The Group derecognises a subsidiary when it loses control, defined as the power to govern the financial and operating policies of the subsidiary to obtain benefits from its activities. Upon loss of control, the Group removes the subsidiary's assets, liabilities and non-controlling interests from the consolidated balance sheet, recognises any retained investment at its fair value, and recognises any resulting gain or loss in profit or loss. Any amounts previously recognised in other comprehensive income relating to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings, as appropriate.

2.6 Intangible assets

(a) *Goodwill*

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(b) *Other intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. These intangible assets are recognised separately from goodwill and are initially measured at their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and the expenditure is charged to profit or loss in the financial year in which the expenditure is incurred.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

2.6 Intangible assets (continued)

(b) Other intangible assets (continued)

Intangible assets with a finite useful life are amortised on a straight-line basis over their estimated useful lives. The amortisation period and amortisation method for an intangible asset with a finite useful life is reviewed at least at each balance sheet date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible asset with a finite useful life is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost of disposal and the value in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

The estimated useful lives are as follows:

Software	5 years
Patent	10 years
Customer relationship	5 years

2.7 Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment initially recognised includes its purchase price, and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the assets.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

Construction in progress is stated at cost less impairment losses. The cost comprises direct costs of materials and the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use. No depreciation is provided in respect of construction in progress until it is completed and ready for its intended use.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to write off the depreciable amount of property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Leasehold land and buildings	2 to 50 years
Plant and machinery	10 years
Leasehold improvements	5 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	3 to 4 years
Networking hardware and software	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

2.7 Property, plant and equipment (continued)

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.8 Land use rights

Land use rights are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Land use rights are amortised on a straight-line basis over the remaining years of rights allocated to use the land of 50 years.

The amortisation period and amortisation method are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.9 Impairment of non-financial assets excluding goodwill

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.11 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognised the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

2.11 Leases (continued)

Lease liabilities (continued)

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liabilities are presented within "borrowings" in the balance sheets.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying assets is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, initial direct cost, less any lease incentives received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use assets, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within "property, plant and equipment" in the balance sheets.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.9.

2.12 Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current financial year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

2.12 Income taxes (continued)

Deferred tax liability is provided on all taxable temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is recognised or the liability is settled, based on currently enacted or substantively enacted tax rates at the balance sheet date.

2.13 Financial assets

(a) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

(b) Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income ("FVOCI").

The classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

i. Debt instruments

Debt instruments include cash and bank balances, trade receivables, other receivables (excluding prepayments and advances to suppliers) and amounts due from subsidiaries. The subsequent measurement category depends on the Group's business model for managing the asset and cash flow characteristics of the asset.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

2.13 Financial assets (continued)

(b) *Classification and measurement (continued)*

Subsequent measurement (continued)

ii. *Equity investments*

The Group subsequently measures all its equity instruments at their fair values.

The Group has designated all of its equity investments that are not held for trading as FVOCI at initial recognition. Gains and losses arising from changes in fair value of these equity investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income and accumulated in fair value reserve and will never be reclassified to profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income. Fair value reserve relating to the disposed asset would be transferred to accumulated losses upon disposal. Dividends from equity investments are recognised in profit or loss and presented in "other income". Equity investments classified as FVOCI are not subject to impairment assessment.

(c) *Impairment*

The Group recognises an allowance for expected credit losses ("**ECLs**") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each balance sheet date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

(d) *Offset*

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to insignificant risk of change in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged bank deposits.

2.15 Financial liabilities

Financial liabilities include "trade and other payables", "borrowings" and "amounts due to subsidiaries". Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

2.15 Financial liabilities (continued)

Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

2.16 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.17 Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

2.18 Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the asset is substantially completed for its intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

2.19 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Such state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.20 Foreign currencies

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The Company's functional currency is Renminbi due to its financial reliance on the operation of its subsidiaries in the People's Republic of China. In view the Company's principal office is located in Hong Kong, the financial statements of the Group and the Company are presented in Hong Kong Dollar.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency (the "**foreign currency**") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

2.20 Foreign currencies (continued)

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The financial performance and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities are translated at the closing rates at the balance sheet date;
- ii. Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- iii. All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

2.21 Dividends

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders.

2.22 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

2.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

3. Critical accounting judgements and key sources of estimation uncertainty

(a) *Critical judgements in applying the Group's accounting policies*

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date.

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) Critical judgements in applying the Group's accounting policies (continued)

i. Going concern assumption

During the financial year ended 30 September 2022, the Group incurred a net loss of HK\$81,454,000 (2021: HK\$111,453,000) and net cash outflow from operating activities amounting to HK\$27,340,000 (2021: HK\$3,404,000). As at 30 September 2022, the Group's total liabilities and current liabilities exceeded the total assets and current assets by HK\$133,478,000 and HK\$148,536,000 (2021: HK\$60,720,000 and HK\$34,262,000) and the Company's total liabilities and current liabilities exceeded the total assets and current assets by HK\$166,001,000 and HK\$226,847,000 (2021: current liabilities exceeded the current assets by HK\$10,596,000) respectively.

Judicial management

On 28 June 2022, the Company was placed under judicial management.

The objectives of the judicial management order are to achieve one or more of the following purposes:

- (a) survival of the Company, or the whole or part of its undertaking as a going concern;
- (b) the approval under Section 210 of the Companies Act 1967 or Section 71 of the Insolvency, Restructuring and Dissolution Act 2018 of a compromise or arrangement between the Company and any such persons as mentioned in those sections; and/or
- (c) a more advantageous realisation of the Company's assets than on winding up.

During the judicial management period, there was a stay on all suits, proceedings, claims etc. against the Company, except with the consent of the Judicial Manager or with the leave of the Court. The unsecured debts and liabilities owing to the principal lender and unsecured claims from creditors (collectively, the "**Creditors**") prior to 28 June 2022 would be addressed/restructured as part of the judicial management of the Company.

On 30 January 2023, Corpbond had entered into a loan agreement with the Company and will extend a loan of up to a principal amount of S\$1,000,000 to the Company for the purposes of asset recovery. Corpbond is the single largest creditor of the Company as of the date of authorisation of these financial statements.

On 14 November 2023, a revised Statement of Proposal ("**Revised SOP**") was unanimously approved by the creditors present and voting. Upon successful implementation of the Revised SOP, it is contemplated that the Company's debts (excluding Corpbond's debt) will be restructured. The completion of the restructuring exercise is subject to a number of conditions precedent to be fulfilled, including relevant regulatory and shareholders' approval.

On 15 July 2024, the Company and the Judicial Manager entered into a restructuring agreement with Corpbond, which outlines the terms for restructuring the claims of the Company's creditors (referred to as the "**Restructuring Agreement**"). According to the terms and conditions set out in the Restructuring Agreement, each creditor shall receive a lump sum payment of 20% of each Creditor's Approved Claim (as defined in the Restructuring Agreement) in cash paid out by Corpbond. Subsequently each creditor shall assign, novate and/or otherwise transfer its claim in full and unconditionally to Corpbond, and shall have no further claims against the Company. On 29 August 2024, payment was made to the participating creditors.

The Judicial Manager is currently working alongside the Company to rehabilitate its operations by exploring new business ventures through the Company's wholly-owned subsidiary, AI Nova Pte. Ltd. ("**AI Nova**"). As part of this effort, AI Nova has recently changed its principal operations to include technical testing and analysis services (including certification of products and services) and wholesale trade of a variety of goods without a dominant product. The Company has submitted the proposal for the resumption of trading (the "**ROTP**") and the Forecast Memorandum (the "**Forecast Memorandum**") to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 30 June 2025. On 7 October 2025, an updated Forecast Memorandum was submitted to the SGX-ST pursuant to changes in the business model of AI Nova.

On 10 October 2024, the Company entered into an interest-free loan agreement with Alpha Hill Pte. Ltd. (the "**Investor**") for a sum of Singapore Dollar ("**S\$**") 5,000,000 repayable on the date falling five (5) years from the disbursement date and may be extended for a further period. The loan shall be immediately due and payable by the Company when due and may be repaid by the Company in either of the following manner, at the election of the Company: (a) in cash in a single payment on the due date; or (b) full repayment by way of the issue and allotment of Loan Conversion Shares at an issue price of S\$0.015 per Loan Conversion Share.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) Critical judgements in applying the Group's accounting policies (continued)

i. Going concern assumption (continued)

Judicial management (continued)

Subsequent to obtaining the loan from the Investor, the Company and Corpbond entered into a supplementary deed on 14 October 2024 to record Corpbond's consent and waiver to the Company's entry into the loan agreement and to obtain the loan from the Investor, as well as Corpbond's agreement to bear the costs and expenses associated with the resumption of trading of the Company's shares on the Mainboard of the SGX-ST up to an aggregate sum of S\$1,000,000 and provide for the agreed use of proceeds of the loan from the Investor.

Pursuant to the terms of the supplementary deed, the loan of S\$5,000,000 would be allocated as follows: (i) S\$1,500,000 will be allocated for capital injection into AI Nova for working capital purposes; (ii) S\$300,000 will be allocated for expenses related to the Company's resumption of trading of its shares on the Mainboard of the SGX-ST; and (iii) the remaining balance of S\$3,200,000 will be used for the Company's general working capital needs. AI Nova has received S\$1,500,000 on 25 October 2024, for capital injection through issuance and allotment of 1,500,000 ordinary shares in AI Nova at an issue price of S\$1.00 per ordinary share.

On 9 April 2025, the Judicial Manager and the Company entered into an implementation agreement (the "**Implementation Agreement**") with Corpbond to restructure the debts owing by the Company to Corpbond which includes *inter alia*, the issue and allotment of Conversion Shares to Corpbond. Upon completion of the Implementation Agreement, Corpbond shall forever discharge the Company any and all obligations in respect of the amounts owed by the Company to Corpbond prior to the judicial management of the Company. The allotment of shares to Corpbond is subject to shareholders' approval at an extraordinary general meeting which has yet to be convened.

On 31 July 2025, AI Nova entered into a loan agreement with a third party for a sum of United States dollar ("**US\$**") 500,000 for the purpose of working capital, bearing interest at 7% per annum, repayable on the date falling two (2) years from the disbursement date and may be extended for a further period. The loan shall be immediately due and payable by AI Nova on the expiry when due and may be repaid by AI Nova in either of the following manner, at the election of AI Nova: (a) in cash in a single payment on the due date; or (b) full repayment of the loan by way of the issue and allotment of Loan Conversion Shares at an issue price of S\$0.045 per Loan Conversion Share.

On 8 August 2025, AI Nova entered into a loan agreement with a third party for a sum of US\$5,000,000 for the purpose of working capital, bearing interest at 7% per annum, repayable on the date falling two (2) years from the disbursement date and may be extended for a further period. The loan shall be immediately due and payable by AI Nova on the expiry when due and may be repaid by AI Nova in either of the following manner, at the election of AI Nova: (a) in cash in a single payment on the repayment date; or (b) full repayment of the Loan by way of the issue and allotment of Loan Conversion Shares at an issue price of S\$0.045 per Loan Conversion Share.

On 1 September 2025, AI Nova entered into a loan agreement with a third party for a sum of US\$5,000,000 for the purpose of working capital, bearing interest at 7% per annum, repayable on the date falling one (1) year from the disbursement date and may be extended for a further period. The loan shall be immediately due and payable by AI Nova on due date and may be repaid by AI Nova in either of the following manner, at the election of AI Nova: (a) in cash in a single payment on the repayment date; or (b) full repayment of the Loan by way of the issue and allotment of Loan Conversion Shares at an issue price of not more than S\$0.045 per Loan Conversion Share.

The various loans agreements with conversion terms are subject always to, amongst other things: (i) the resumption of trading of the Shares on the Mainboard of the SGX-ST and trading of such Shares not being halted or suspended on or before the respective repayment dates, the approval in principle from the SGX-ST, independent shareholders and the Securities Industry Council of Singapore and/or any other approval from all relevant governmental authorities being obtained for the listing and quotation of the Loan Conversion Shares on or before the expiry of the repayment date; and (ii) the parties entering and executing a subscription agreement setting out the definitive terms for the issuance and allotment of the Loan Conversion Shares to the Investor or Lender and/or the Investor's or Lender's nominee.

The ability of the Group and the Company to continue as going concerns depends on the successful completion of these restructuring activities, including securing financing from investors and financial institutions to meet their operational and development needs. However, the outcome of the restructuring activities is inherently uncertain, and the actual results of these plans may differ materially from management's assumptions and projections.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) *Critical judgements in applying the Group's accounting policies (continued)*

i. Going concern assumption (continued)

Judicial management (continued)

The financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will be able to meet their obligations as and when they fall due in the next twelve (12) months from the date of authorisation of these financial statements.

The financial statements did not include any adjustments that might be necessary should the Group and the Company be unable to continue as going concerns. If the going concern basis is no longer appropriate, adjustments may be required to reduce the carrying amounts of assets to their recoverable amounts, to provide for further liabilities, and to reclassify non-current assets and liabilities as current. No such adjustments have been made.

ii. Functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required by management to determine the primary economic environment in which the entities operate, the entities' process of determining sales prices and the currency of the country whose competitive forces and regulations mainly influences the prices of its goods and services. Management has assessed that prices of the significant subsidiaries are mainly denominated and settled in Renminbi ("**RMB**"). In addition, the Company's functional currency is determined to be Renminbi due to its financial reliance on the operation of its subsidiaries in the People's Republic of China. Therefore, management concluded that the functional currency of the Company is Renminbi.

(b) *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

i. Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each balance sheet date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The net carrying values of the Group's property, plant and equipment and intangible assets are disclosed in Note 12 and Note 13 respectively.

ii. Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade receivables, other receivables and amounts due from subsidiaries are subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables, other receivables and amounts due from subsidiaries.

Details of ECL measurement and the carrying amounts of trade receivables, other receivables and amounts due from subsidiaries at balance sheet date are disclosed in Notes 15, 16, 11 and 25(b) respectively.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(b) Key sources of estimation uncertainty (continued)

iii. Investment in subsidiaries

Determining whether investment in subsidiaries are impaired requires an estimation of the value-in-use of those investments. The value-in-use calculation requires the Company to estimate the future cash flows expected from these investments and an appropriate discount rate in order to calculate the present value of the future cash flows. The value-in-use calculation requires the use of considerable judgments, estimates and assumptions. Changes in these assumptions and estimates could have a material effect on the determination of the recoverable amount of investment in subsidiaries.

The net carrying amount of the Company's investment in subsidiaries at the balance sheet date is disclosed in Note 11.

4. Revenue and segment reporting

	2022	Group 2021
	HK\$'000	HK\$'000
Sale of nutrition, health food and related health products	31,145	70,233
Sale of fruits and related products	2,075	28,762
	<u>33,220</u>	<u>98,995</u>

All sales are recognised at a point in time.

(a) Segment results, assets and liabilities

The Group manages its business by business lines. In a manner consistent with the way in which information is reported internally to the Group's senior executive management for the purposes of resource allocation and performance assessment. The Group has presented the following four (4) reportable segments.

Internet management:	The provision of technical support services relating to internet and web-TV business.
Investment holding:	The management of the Group's investments, financial instruments and other treasury operations.
Nutrition, health food and related health products:	Manufacturing and trading of nutrition, health food and related health products.
Fruits and related products:	Trading of fruits and related products (new segment in FY2021)

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

- Segment assets include all current and non-current assets except for deferred tax assets and tax recoverable. Segment liabilities include all liabilities with the exception of corporate liabilities which consists of borrowings and tax payable.
- Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.
- The Group's senior executive management assesses the performance of the operating segments based on a measure of earnings before interest and income tax.

There were no inter-segments trade transactions during the financial year ended 30 September 2022 and 30 September 2021.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

4. Revenue and segment reporting (continued)

(a) Segment results, assets and liabilities (continued)

FY2021

The Group started its new business in trading of fruits and related products during the previous financial year ended 30 September 2021. This includes the trading of durian fruits from Thailand to China (the “**Thai Durian Business**”) and sales of imported fruits and related products in Singapore.

Prior to 14 September 2021, the Group did not have the relevant export licence in Thailand to enable the Group to be able to directly export the durians which it had agreed to sell from Thailand to its customers in China, hence, for the purchase contracts that the Group had entered into with its customers in China prior thereto, the Group had to go through certain export agent companies based in Thailand (the “**Export Agent**”) to ship the durians to such customers in China, since the Export Agent had the relevant export licence to do so (“**Relevant Trade Transactions**”). The Group had, since the commencement of the Relevant Trade Transactions, recognised the entire amount of the purchase contracts entered into under the Relevant Trade Transactions as the sales revenue earned by the Group, upon the customers taking delivery of the goods shipped to them by the Export Agent. The Group had adopted such accounting treatment at that time, *inter alia*, as the Group was the principal in respect of the Relevant Trade Transactions, and the Export Agent merely acted as the agent of the Group in relation to the sales to the customers even though, *inter alia*, the relevant customs clearance paperwork to export the fruits to the customers in China was put up by the Export Agent, and payment from the customers was also made to the Export Agent instead of to the Group.

Based on the financial information of the Thai Durian Business operated and overseen by Cheng Meng, ex-director and Chief Executive Officer of the Company that are provided to the Company, the management has not been able to verify nor substantiate certain pertinent information of both suppliers and customers with respect to the transactions and account balances with these parties. Despite several stern warnings and time extensions given by the management to Cheng Meng, *inter alia*, to provide the Thai Operations Accounting Records, required information and data that should have been part of the Thai Operations Accounting Records in order to verify and substantiate the veracity of the trading operations as claimed to be genuine by Cheng Meng has not been forthcoming.

In view of above, revenue and related profit from the Thai Durian Business Operations amounting to HK\$509,550,000 and HK\$15,137,000, respectively have been excluded from the Group’s financial performance for the financial year ended 30 September 2021 because the management was of the view that the Thai Durian Business Operations operated and overseen by Cheng Meng cannot be verified nor substantiated and thus the Group can only recognised revenue from the Thai Durian Business transactions for the period from January 2021 to March 2021 amounting to HK\$27,701,000, where the sales and purchases were fully captured, and that the payments to suppliers and from customers were made directly with the Group.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

4. Revenue and segment reporting (continued)

(a) Segment results, assets and liabilities (continued)

Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance for the financial year ended 30 September 2022 is set out below:

					Group
	Internet management HK\$'000	Investment holding HK\$'000	Nutrition, health food and related health products HK\$'000	Fruits and related products HK\$'000	Total HK\$'000
30 September 2022					
Reportable segment revenue from external customers	-	-	31,145	2,075	33,220
<u>Segment results</u>					(61,816)
Interest income					-
Finance costs					(15,806)
Loss before tax					(77,622)
Tax expense					(3,832)
Loss for the financial year					(81,454)
<u>Assets</u>					
Segment assets					-
Unallocated assets					94,645
					94,645
<u>Liabilities</u>					
Segment liabilities					-
Unallocated liabilities					228,123
					228,123
<u>Other segment information</u>					
Amortisation	-	-	633	-	633
Net impairment losses on financial assets	-	-	35,054	-	35,054

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

4. Revenue and segment reporting (continued)

(a) *Segment results, assets and liabilities (continued)*

					Group
	Internet management	Investment holding	Nutrition, health food and related health products	Fruits and related products	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
30 September 2021					
Reportable segment revenue from external customers	-	-	70,233	28,762	98,995
<u>Segment results</u>	(33,417)	(68,012)	19,635	(18,947)	(100,741)
Interest income					104
Finance costs					(9,891)
Loss before tax					(110,528)
Tax expense					(925)
Loss for the financial year					(111,453)
<u>Assets</u>					
Segment assets	4,745	12,232	112,485	6,416	135,878
Unallocated assets					-
					135,878
<u>Liabilities</u>					
Segment liabilities	3,747	29,930	16,848	3,900	54,425
Unallocated liabilities					142,173
					196,598
<u>Other segment information</u>					
Depreciation and amortisation	13	328	2,274	1	2,616
Impairment losses on advances to supplier	-	-	(10,357)	18,547	8,190
Net impairment losses on financial assets	34,067	61,850	2,683	-	98,600
Capital expenditure	637	-	3,171	33	3,841

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

4. Revenue and segment reporting (continued)

(b) *Geographic information*

Revenue and non-current assets information based on the geographic location of customers and assets respectively are as follows:

	Sales to external customers		Non-current assets	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Singapore	1,578	1,060	25	25
PRC	31,642	97,935	13,947	15,904
Thailand	-	-	14	5
	33,220	98,995	13,986	15,934

Non-current assets information presented above are non-current assets as presented on the consolidated balance sheet excluding other receivables.

(c) *Information about major customers*

There was no information made available to the Group regarding its major customers and the related sales for the financial year ended 30 September 2022 for disclosure in the financial statements.

During the financial year ended 30 September 2021, revenue of approximately HK\$41,524,000 was derived from 2 major external customers who individually contributed ten percent or more of the Group's revenue (attributable to nutrition, health food and related health products segment and fruits and related products segment) and are tabled below:

	Group 2021 HK\$'000
<i>Nutrition, health food and related health products segment</i>	
Customer 1	13,822
<i>Fruits and related products segment</i>	
Customer 3	27,702
	41,524

5. Other income

	2022 HK\$'000	Group 2021 HK\$'000
Foreign exchange gain, net	-	1,490
Government subsidies	2,695	149
Write-back of inventories written down, net	-	265
Others	551	-
	3,246	1,904

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

6. Finance costs

	2022	Group 2021
	HK\$'000	HK\$'000
Interest expenses	15,806	9,891

During the financial year ended 30 September 2022, interest expenses mainly related to loans from third parties. During the financial year ended 30 September 2021, interest expenses included loans from third parties amounted to HK\$9,009,000, bank loans amounted to HK\$863,000 and lease liabilities amounted to HK\$19,000.

7. Loss before tax

Loss before tax is arrived at after charging/(crediting):

	Group 2022
	HK\$'000
Auditors' remuneration paid/payable to:	
- Auditor of the Company – Current year	260
- Other auditors ⁽¹⁾ – Under provision in prior year	455
Fees for non-audit services paid/payable to:	
- Auditor of the Company	-
- Other auditors	-
Amortisation of intangible assets	633
Impairment losses on other receivables	35,054
Legal and professional fees	1,680
	Group 2021
	HK\$'000
Advertising and promotion fees	3,457
Auditors' remuneration paid/payable to:	
- Auditor of the Company	778
- Other auditors ⁽¹⁾	1,150
Fees for non-audit services paid/payable to:	
- Auditor of the Company	-
- Other auditors ⁽¹⁾	-
Loss on disposal of property, plant and equipment	58
Impairment losses on advances to supplier, net	8,190
Impairment losses on advances for proposed acquisition	61,850
Impairment losses on proceed receivables from return of property, plant and equipment	34,067
Impairment losses on advances to third parties and other receivables, net	4,023
Reversal of impairment losses on trade receivables, net	(1,340)
Amortisation of intangible assets	65
Depreciation of property, plant and equipment ⁽²⁾	2,551
Legal and professional fees	3,045
Rental expenses ⁽²⁾	216
Research and development expenses	3,012
Staff costs (Note 8)	12,371

⁽¹⁾ Includes independent member firms of the Baker Tilly International network

⁽²⁾ Includes depreciation charges amounted to HK\$464,000 and lease expenses amounted to HK\$216,00 relating to lease recognised (Note 20) in the financial year ended 30 September 2021.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

8. Staff costs

	Group 2021 HK\$'000
<u>Key management personnel</u>	
Former Directors of the Company:	
- Directors' fees	616
- Directors' remuneration and related costs	1,648
	<u>2,264</u>
Former Directors of subsidiary:	
- Directors' remuneration and related costs	142
- Defined contribution benefits	10
	<u>152</u>
Others:	
- Salaries	840
	<u>840</u>
<u>Other personnel</u>	
- Salaries and related costs	8,251
- Defined contribution benefits	864
	<u>9,115</u>
	<u>12,371</u>
Staff costs recognised in line items of profit or loss:	
- Cost of sales	6,241
- Administrative expenses	5,504
- Distribution expenses	626
	<u>12,371</u>

9. Tax expenses

	2022 HK\$'000	Group 2021 HK\$'000
Tax expense attributable to profit/loss is made up of:		
- Current income tax provision	211	925
- Under provision in prior year	3,621	-
	<u>3,832</u>	<u>925</u>

- (a) Pursuant to the rules and regulations of Bermuda and British Virgin Islands ("BVI"), the companies incorporated in Bermuda and BVI are not subject to any income tax in Bermuda and BVI.

Nutryfarm (Chengdu) Biomedicine Limited ("NFC") a PRC subsidiary enjoys preferential income tax rate of 15% (2021: 15%) as it is regarded as high-tech enterprise.

The statutory income tax rate applicable to other PRC subsidiaries is 25% (2021: 25%), Hong Kong subsidiaries is 16.50% (2021: 16.50%), Thailand subsidiary is 20% (2021: 20%) and Singapore subsidiaries is 17% (2021: 17%).

- (b) The tax expense on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable to loss in the countries where the Group entities operate due to the following factors

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

9. Tax expenses (continued)

	2022	Group 2021
	HK\$'000	HK\$'000
Loss before income tax	(77,622)	(110,528)
Notional tax expense on profit/loss before tax, calculated at the rates applicable in the tax jurisdictions concerned	(17,559)	(25,227)
Income not subject to tax	-	(349)
Expenses not deductible for tax purpose	17,770	28,003
Deferred tax assets not recognised	-	133
Utilisation of previously unrecognised deferred tax assets	-	(1,655)
Under provision in prior year	3,621	-
Others	-	20
	<u>3,832</u>	<u>925</u>

As at 30 September 2022, the Group has not recognised deferred tax assets in respect of tax losses of HK\$57,207,000 (2021: HK\$57,207,000) and other deductible temporary differences of HK\$63,785,000 (2021: HK\$63,785,000) as it is uncertain that future taxable profits will be available against which the Group can utilise the benefits.

The tax losses have no expiry date except for an amount of HK\$3,016,000 that can be carried forward up to five (5) years (i.e. calendar year 2021 to 2026) from the year of loss against future taxable profits/income of the PRC subsidiaries in which the tax losses arose, subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation in the PRC. During the financial year ended 30 September 2021, the Group's unabsorbed tax losses brought forward amounting to HK\$543,000 has expired.

10. Loss per share

(a) Basic loss per share

The calculation of the basic loss per share attributable to equity holders of the Company is based on the following data:

	2022	Group 2021
Loss for the financial year attributable to equity holders of the Company (HK\$'000)	(81,454)	(111,450)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	137,422	113,836
Basic loss per share (cents per share)	(59.27)	(97.90)

(b) Diluted loss per share

Diluted loss per share is same as basic loss per share as there were no potential dilutive ordinary shares for the financial year ended 30 September 2022 and 30 September 2021.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

11. Investment in subsidiaries

	2022	Company 2021
	HK\$'000	HK\$'000
<u>Investment in subsidiaries</u>		
Unquoted equity shares, at cost	130,098	142,614
Less: Allowance for impairment losses	(69,252)	(76,216)
At end of the financial year	<u>60,846</u>	<u>66,398</u>

Movement in allowance for impairment losses during the financial year:

	2022	Company 2021
	HK\$'000	HK\$'000
At beginning of the financial year	76,216	73,096
Currency translation differences	(6,964)	3,120
At end of the financial year	<u>69,252</u>	<u>76,216</u>

	2022	Company 2021
	HK\$'000	HK\$'000
<u>Amounts due from subsidiaries</u>		
Gross amounts	480,359	516,620
Less: Allowance for impairment losses	(480,359)	(356,857)
Net carrying amount	<u>-</u>	<u>159,763</u>

Movement in allowance for impairment losses during the financial year is disclosed in Note 25(b).

	2022	Company 2021
	HK\$'000	HK\$'000
Amounts due to subsidiaries	<u>67,690</u>	<u>73,895</u>

The amounts due from/to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

(a) *Significant restrictions*

As at reporting date, cash and cash equivalents are mainly held in the People's Republic of China and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country, other than through dividends. These amounted to HK\$35,800,000 as at 30 September 2021.

(b) *Incorporation of subsidiaries*

On 17 November 2021, the Group incorporated a wholly owned subsidiary, AI Nova Pte. Ltd. (formerly known as Global Agricapital (Singapore) Pte Ltd) for a total consideration of S\$100,000.

On 22 December 2020, the Company incorporated a wholly-owned subsidiary, Global Agricapital Holdings Pte. Ltd. for a total consideration of S\$450,000.

In the financial year ended 30 September 2021, the Group incorporated a 99.99% owned subsidiary, Global Agricapital (Thailand) Co., Ltd for total consideration of THB4,999,700.

On 18 June 2021, the Group incorporated a 51% owned subsidiary, Kong Jun Global Pte. Ltd. for total consideration of S\$5,100.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

11. Investment in subsidiaries (continued)

(c) Details of subsidiaries held by the Company are as follows:

Name of subsidiary	Country of incorporation	Issued and paid-up capital	Principal activities	Effective equity interest held	
				2022 %	2021 %
<i>Held by the Company</i>					
Nutryfarm Biomedicine International Limited ⁽¹⁾	BVI	US\$10,000	Investment holding	100	100
LottVision Holdings Limited ⁽²⁾	BVI	US\$1	Investment holding	100	100
Global Agricapital Holdings Pte. Ltd.	Singapore	S\$450,000	Wholesale of fruits, vegetables and durian	100	100
<i>Held by subsidiaries</i>					
LottVision Gtech Management Limited ⁽³⁾	BVI	US\$1	Investment holding	100	100
LottVision (Hong Kong) Limited ⁽⁴⁾	Hong Kong	HK\$1	Investment holding	100	100
LottVision Investments Holdings Limited ⁽³⁾	BVI	US\$1	Investment holding	100	100
LottVision Internet Management Limited ⁽²⁾	BVI	US\$100	Development and sale of digital video surveillance products and solutions	100	100
<i>Held by subsidiaries</i>					
WiVision Network Digital Video Technology (Beijing) Co., Limited ("WiVision")	The PRC	HK\$15,000,000	Provision of internet related support services	100	100
Nutryfarm (Chengdu) Biomedicine Limited ⁽⁵⁾	The PRC	US\$1,500,000	Research and development, production of health food, sale of self-produced products and provision of related technical services	100	100
Global Agricapital (Thailand) Co., Ltd	Thailand	THB5,000,000	Wholesale of fruits, vegetables and durian	99.99	99.99
Kong Jun Global Pte. Ltd. ⁽⁶⁾	Singapore	S\$10,000	Wholesale of fruits, vegetables and durian	51	51
AI Nova Pte. Ltd. (formerly known as Global Agricapital (Singapore) Pte Ltd)	Singapore	S\$100,000	Technical testing and analysis services and wholesale trade of a variety of goods	100	-

⁽¹⁾ Subsidiary struck off and dissolved on 1 May 2025.

⁽²⁾ Subsidiary struck off and dissolved on 4 May 2023.

⁽³⁾ Subsidiary struck off and dissolved on 4 July 2023.

⁽⁴⁾ Subsidiary is in the process of striking off at the date of the financial statements.

⁽⁵⁾ Company loss control in the subsidiary on 26 April 2023.

⁽⁶⁾ Subsidiary struck off and dissolved on 4 June 2024.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

11. Investment in subsidiaries (continued)

(c) *Details of subsidiaries held by the Company are as follows: (continued)*

Pursuant to the Implementation Agreement (refer to Note 3), the Judicial Manager and the Company entered into a sale and purchase agreement on 11 September 2025 for the disposal of Nutryfarm Biomedicine International Limited and LottVision Holdings Limited to Corpbond. This transaction is subject to shareholders' approval at an extraordinary general meeting which has yet to be convened.

12. Property, plant and equipment

	Total
	HK\$'000
Group	
<u>Net carrying value</u>	
At 1 October 2021	15,294
Additions	9
Currency translation differences	<u>(1,317)</u>
At 30 September 2022	<u>13,986</u>

- (a) As at reporting date, buildings of the Group are secured for short-term bank loans (Note 19). These amounted to HK\$1,182,000 as at 30 September 2021.
- (b) As at reporting date, including in buildings is the land use rights of the Group of HK\$5,004,496 (2021: HK\$5,461,000) which are secured for short-term bank loans (Note 19).

Location	Description and tenure	Gross land area (sqm)	Gross built-in area (sqm)	Use of property
彭州市业开发区 PY2010-12-2457 (Pharmaceutical Park, Industrial Development Zone, Pengzhou, Chengdu, Sichuan Province)	Valid for a period of 50 years from respective dates of grant and will be expiring in 2060	34,165.33	9,175.07	Industrial

Land use rights represent the rights to use a piece of land which is located in the PRC, and is valid for a period of 50 years from respective dates of grant and will be expiring in 2060.

- (c) Right-of-use assets are presented within property, plant and equipment.
- (d) Non-cash transactions

	2022	Group
	HK\$'000	2021
		HK\$'000
Aggregate cost of property, plant and equipment acquired	9	3,728
Less: acquired under lease arrangement (Note 19)	<u>-</u>	<u>(637)</u>
Net cash outflow for purchase of property, plant and equipment	<u>9</u>	<u>3,091</u>

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

12. Property, plant and equipment (continued)

	Leasehold land and buildings	Plant and machinery	Leasehold improvement	Furniture, fixtures and office equipment	Motor vehicles	Networking hardware and software	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Group							
<u>Cost</u>							
At 1 October 2020	48,008	11,913	483	3,299	2,320	41,298	107,321
Additions	691	2,091	-	221	725	-	3,728
Disposals/Returns	-	-	-	-	-	(42,673)	(42,673)
Written off	(602)	-	-	-	-	-	(602)
Currency translation differences	2,000	522	-	121	56	1,375	4,074
At 30 September 2021	50,097	14,526	483	3,641	3,101	-	71,848
<u>Less: Accumulated depreciation and impairment losses</u>							
At 1 October 2020	35,026	11,528	483	3,123	2,320	8,259	60,739
Depreciation charge	2,322	119	-	82	15	13	2,551
Disposals/Returns	-	-	-	-	-	(8,547)	(8,547)
Written off	(602)	-	-	-	-	-	(602)
Currency translation differences	1,488	487	-	113	50	275	2,413
At 30 September 2021	38,234	12,134	483	3,318	2,385	-	56,554
<u>Representing:</u>							
Accumulated depreciation	21,483	7,290	483	2,962	2,240	-	34,458
Accumulated impairment losses	16,751	4,844	-	356	145	-	22,096
	38,234	12,134	483	3,318	2,385	-	56,554
<u>Net carrying value</u>							
30 September 2021	11,863	2,392	-	323	716	-	15,294

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

13. Intangible assets

	Patent	Customer relationship	Total
	HK\$'000	HK\$'000	HK\$'000
Group			
<u>Cost</u>			
At 1 October 2020	2,443	16,756	19,199
Additions	113	-	113
Currency translation differences	105	-	105
At 30 September 2021	2,661	16,756	19,417
Additions	-	-	-
Currency translation differences	(243)	-	(243)
At 30 September 2022	2,418	16,756	19,174
<u>Less: Accumulated amortisation and impairment losses</u>			
At 1 October 2020	1,876	16,756	18,632
Amortisation charge	65	-	65
Currency translation differences	80	-	80
At 30 September 2021	2,021	16,756	18,777
Amortisation charge	633	-	633
Currency translation differences	(236)	-	(236)
At 30 September 2022	2,418	16,756	19,174
<u>Representing:</u>			
Accumulated amortisation	1,509	16,756	18,265
Accumulated impairment losses	909	-	909
	2,418	16,756	19,174
<u>Net carrying value</u>			
At 30 September 2022	-	-	-
At 30 September 2021	640	-	640

The amortisation charge for the financial year is included in "administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

Customer relationship arose from acquisition of Nutryfarm Biomedicine International Limited and its subsidiaries during the financial year ended 31 March 2013.

14. Inventories

	2022	Group 2021
	HK\$'000	HK\$'000
Raw materials	9,592	9,592
Work in progress	749	749
Finished goods	4,959	6,301
	15,300	16,642

During the financial year, raw materials, consumables and changes in finished goods and work in progress included as cost of sales amounted to HK\$21,147,000 (2021: HK\$36,774,000).

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

15. Trade receivables

	2022	Group 2021
	HK\$'000	HK\$'000
Trade receivables		
- Third parties	21,833	23,300
- Related party	7,575	7,575
	<u>29,408</u>	<u>30,875</u>
Less: Allowance for impairment losses		
- Third parties	(12,458)	(12,458)
- Related party	(1,740)	(1,740)
	<u>15,210</u>	<u>16,677</u>

16. Other receivables

	2022	Group 2021	2022	Company 2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<i>Non-current</i>				
Prepayment to third party vendors ⁽¹⁾	1,092	1,202	-	-
Less: Allowance for impairment loss	-	-	-	-
	<u>1,092</u>	<u>1,202</u>	<u>-</u>	<u>-</u>
<i>Current</i>				
Deposits	182	182	-	-
Prepayments	1,569	1,569	-	-
Advances to suppliers	20,162	20,162	-	-
Advances to third parties ⁽²⁾	42,796	42,796	-	-
Advances for proposed acquisition ⁽³⁾	61,850	61,850	-	-
Advances to a related party ⁽²⁾	8,028	8,028	-	-
Proceed receivables from disposal of property, plant and equipment ⁽⁴⁾	34,377	34,377	-	-
Other receivables	19,028	6,473	13	9
	<u>187,992</u>	<u>175,437</u>	<u>13</u>	<u>9</u>
Less: Allowance for Impairment losses	(173,358)	(138,304)		
	<u>14,634</u>	<u>37,133</u>	<u>13</u>	<u>9</u>

Movement in allowance for impairment losses on advances to suppliers during the financial year:

	2022	Group 2021
	HK\$'000	HK\$'000
At beginning of the financial year	19,900	11,322
Allowance made	-	8,190
Currency translation differences	-	388
At end of the financial year	<u>19,900</u>	<u>19,900</u>

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

16. Other receivables (continued)

Movement in allowance for impairment losses on other receivables (excluding advances to suppliers) during the financial year:

	2022	Group
	HK\$'000	2021
		HK\$'000
At beginning of the financial year	118,404	17,421
Allowance made	35,054	99,940
Currency translation differences	-	1,043
At end of the financial year	<u>153,458</u>	<u>118,404</u>

- (1) As at reporting date, prepayment to third party vendors of related to amounts paid to third party vendors for purchase of intangible assets - patent. These amounted to HK\$1,202,000 as at 30 September 2021.
- (2) Advances to third parties and a related party are unsecured, interest-free and repayable on demand.
- (3) During the financial year ended 30 September 2021, the Group received refunds of HK\$2,771,000 from the vendor. As at 30 September 2021, the refundable advances paid to the vendor for proposed acquisition of First Linkage Inc. amounting to HK\$61,850,000 (Note 7) had been fully provided for impairment losses.
- (4) An amount of HK\$34,377,000 was recognised as the proceed receivables from Beijing Zhonglian Shengtong Internet Technology Co, Ltd. for the return of property, plant and equipment during the financial year. The amount was fully provided for impairment losses as at 30 September 2021.

17. Trade and other payables

	2022	Group	2022	Company
	HK\$'000	2021	HK\$'000	2021
		HK\$'000		HK\$'000
Trade payables	11,901	11,901	-	-
Other payables and accruals	25,682	16,152	9,622	8,165
Accrued interest expense ⁽¹⁾	24,277	14,111	24,277	14,111
Directors' fees payable	2,384	2,384	2,384	2,384
Amount due to former director	2,985	2,985	1,183	1,183
Advances received from a third party	3,273	3,273	-	-
	<u>70,502</u>	<u>50,806</u>	<u>37,466</u>	<u>25,843</u>

- (1) Includes default interest relating to Loans from third parties (Note 19)

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

17. Trade and other payables (continued)

The amount due to former director of the Company, amount due to a related party and advances received from a third party are unsecured, interest-free and repayable on demand.

Related party refers to Group's key management personnel.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Accrued interest expense	Amount due to former director	Amount due to a related party	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 October 2020	8,646	2,640	770	12,056
Changes from financing cash flows:				
- Proceeds	-	1,802	-	1,802
- Repayments	-	(1,457)	(770)	(2,227)
- Interest paid	(1,096)	-	-	(1,096)
Non-cash changes:				
- Interest expense	6,805	-	-	6,805
Effect of changes in foreign exchange rates	(244)	-	-	(244)
Balance at 30 September 2021 and 1 October 2021	14,111	2,985	-	17,096
Non-cash changes:				
- Interest expense	10,166	-	-	10,166
Balance at 30 September 2022	24,277	2,985	-	27,262

18. Contract liabilities

Contract liabilities relate to advance consideration received from customers. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contracts.

The following table provides information about contract balances from contracts with customers:

	2022	2021	Group 1 October 2020
	HK\$'000	HK\$'000	HK\$'000
Trade receivables from contracts with customers	15,210	16,677	7,371
Contract liabilities	-	3,619	2,027

Contract liabilities had increased significantly due to more contracts in which the Group billed and received consideration ahead of sales of goods.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

19. Borrowings

	2022	Group 2021	2022	Company 2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<i>Non-current</i>				
Loans from third parties	-	43,511	-	43,511
Lease liabilities	-	83	-	-
	-	43,594	-	43,511
<i>Current</i>				
Loans from third parties	121,704	81,878	121,704	81,878
Bank loans	14,218	15,648	-	-
Lease liabilities	405	322	-	-
Loans from related parties	16,779	-	-	-
Bank overdraft ⁽¹⁾	*	-	*	-
	153,106	97,848	121,704	81,878
Total borrowings	153,106	141,442	121,704	125,389

⁽¹⁾ Balances less than HK\$1,000.

(a) Loans from third parties

Loans from third parties (i.e. New Star Education Limited ("NS") and Corpbond) are unsecured, bear interests ranging from 3.70% to 7.40% per annum and are repayable on fixed maturity dates, within 1 to 2 next financial years. At 30 September 2021, the maturity dates ranging from 18 April 2021 to 13 November 2022.

On 29 January 2021, the Company has entered into two (2) agreements with NS and Corpbond ("**Loan Transfer Agreements**") whereas NS has transferred an aggregated third-party loan of S\$7,400,000 (HK\$42,450,000) to Corpbond. Accordingly, NS has waived the Company from all liabilities in relation to the subject loans and the Company shall become liable to repay principal and interests of the subject loans to Corpbond. As stated in the Loan Transfer Agreements, Corpbond has agreed to extend the respective maturity dates of these loans by 1 to 2 years and as such the renewed maturity dates of all these loans will only fall due on or after 19 April 2022. In addition, the Company has entered another agreement with Corpbond on 1 February 2021 ("**Loan Extension Agreement**") whereas Corpbond has agreed to extend the maturity dates of a loan amounting to S\$2,000,000 (HK\$11,474,000) from 7 November 2021 to 7 November 2022.

On 10 May 2022, Corpbond filed an Originating Application in the General Division of the High Court of Singapore, seeking *inter alia*, an order to place the Company under judicial management of a judicial manager pursuant to the provisions of Part 7 of the Insolvency, Restructuring and Dissolution Act 2018.

(b) Bank loans

The bank loans bear interests ranging from 4.25% to 6.01% per annum.

(c) Securities

At the balance sheet date, the bank loans of the Group are secured by:

- the Group's buildings and right-of-use assets/land use rights (Note 12). As at 30 September 2021, these amounted to HK\$1,182,000 and HK\$5,461,000 respectively; and
- the personal guarantees provided by two (2) former directors of a subsidiary.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

19. Borrowings (continued)

(d) *Loans from related parties are due on demand. The loans are denominated in Thai Baht.*

(e) *Reconciliation of movements of liabilities to cash flows arising from financing activities:*

	Loans from third parties	Bank loans	Lease liabilities	Loans from related parties	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Group					
Balance at 1 October 2020	123,517	15,007	89	-	138,613
Changes from financing cash flows:					
- Proceeds	-	15,507	-	-	15,507
- Repayments	-	(15,507)	(321)	-	(15,828)
- Interest paid	-	(863)	(19)	-	(882)
Non-cash changes:					
- Interest expense	2,204	863	19	-	3,086
- New leases	-	-	637	-	637
Effect of changes in foreign exchange rates	(332)	641	-	-	309
Balance at 30 September 2021 and 1 October 2021	125,389	15,648	405	-	141,442
Changes from financing cash flows:					
- Proceeds	-	-	-	16,779	16,779
Effect of changes in foreign exchange rates	(3,685)	(1,430)	-	-	(5,115)
Balance at 30 September 2022	121,704	14,218	405	16,779	153,106

(f) *Convertible bond agreements*

On 23 April 2022 and 6 May 2022, the Company entered into separate convertible bond agreements of principal amount totaling S\$16,000,000 with 4 investors and S\$5,000,000 with 1 investor respectively, to issue bonds in four (4) equal tranches for the principal amount.

The key terms of the convertible bonds include:

- The bonds bear simple interest rate of 6.75% per annum on the principal amount of each tranche of bonds from the date of issue.
- The bonds mature 3 years from the issue date of each tranche of bonds.
- The conversion price is S\$0.085 for each ordinary share.
- Early redemption at the option of the Company will convert 105% of the principal amount, together with all accrued and unpaid interest.
- Early redemption at the option of the bond holder will convert 100% of the principal amount, together with all accrued and unpaid interest.

There were no drawdowns of convertible bonds as at the date of the financial statements.

(g) *Fair value hierarchy*

The carrying amounts of the current borrowings approximate their fair values at the end of the reporting period.

Based on discounted cash flows using market lending rate for similar borrowings which the management expects would be available to the Group at the balance sheet date, the fair values of the non-current loans from third parties at the balance sheet date approximate their carrying value as there are no significant changes in the interest rates available to the Group at the balance sheet date. This fair value measurement for disclosure purposes is categorised in Level 3 of the fair value hierarchy.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

20. Leases

The Group leases land and buildings from non-related party. The leases typically run for an initial period of 1 to 50 years, with an option to renew the lease upon expiry when all terms are renegotiated. The net carrying amount as at 30 September 2021 amounted to HK\$5,860,000.

The maturity analysis of the lease liability is disclosed in Note 25(b).

Total cash flows for lease amounted to HK\$556,000 during the financial year ended 30 September 2021.

21. Equity compensation benefits

(a) *LottVision Incentive Share Scheme*

Pursuant to a resolution of shareholders on 29 July 2009, an employee incentive scheme (the "**LottVision Incentive Share Scheme**") was adopted for a term of 10 years. The purpose of this scheme is to provide incentives to employees of the Group and Executive and Non-Executive Directors to excel in their performance as well as to enhance their loyalty and dedication to the Group.

The LottVision Incentive Share Scheme is administered by the Remuneration Committee or such other committee comprising the Directors appointed by the Board of Directors (the "**Incentive Committee**"). Under the LottVision Incentive Share Scheme, the Incentive Committee may grant awards of shares in the Company to the employees of the Group and Executive and Non-Executive Directors, who are not the controlling shareholders of the Company or their associates, as the Incentive Committee may select, in its absolute discretion, which shall take into account the rank, job performance, level of responsibility, year of services and such other criteria as the Incentive Committee may consider appropriate. The selected employees are not required to pay for the grant of award of the shares.

The total number of shares issued and to be issued in respect of the awards granted under the LottVision Incentive Share Scheme and in respect of the options under the LottVision Share Option Scheme shall not, in aggregate, exceed 15% of the issued share capital of the Company on the date preceding the date of the relevant grant.

During the financial year ended 30 September 2022 and 30 September 2021, no award of shares were granted.

22. Share capital

	2022		Group and Company 2021	
	Number of shares '000	Par value HK\$'000	Number of shares '000	Par value HK\$'000
Authorised:				
Ordinary shares of HK\$0.10				
At beginning and end of the financial year	1,750,000	175,000	1,750,000	175,000
Issued:				
At beginning of the financial year	137,422	13,742	96,422	9,642
Issuance of ordinary shares	-	-	41,000	4,100
At end of the financial year	137,422	13,742	137,422	13,742

The Company issued 19,000,000 ordinary shares at S\$0.04 per share and 22,000,000 ordinary shares at S\$0.29 per share for total cash consideration of HK\$41,299,000 (inclusive of HK\$37,199,000 of share premium) on 19 November 2020 and 15 September 2021 respectively. The newly issued shares rank pari passu in all respects with the previously issued shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by Company. All ordinary shares carry one vote per share without restriction.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

23. Other reserves

	2022	Group 2021	2022	Company 2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<u>Other reserves comprise:</u>				
Share premium	352,500	352,500	352,500	352,500
Contributed surplus reserve	119,560	119,560	119,560	119,560
Currency translation reserve	3,216	(5,480)	9,889	(3,773)
Fair value reserve	(45,505)	(45,505)	-	-
	<u>429,771</u>	<u>421,075</u>	<u>481,949</u>	<u>468,287</u>

(a) *Share premium*

The application of the share premium is governed by Section 40 of the Bermuda Companies Act 1981.

(b) *Contributed surplus reserve*

On 17 June 2015, the reduction in par value of the issued consolidated shares from HK\$2.80 each to HK\$0.10 each did not result in any return of capital to shareholders. The credit amount arising from the issued share capital reduction was transferred to contributed surplus reserve.

(c) *Currency translation reserve*

The currency translation reserve comprises all foreign exchange differences arising from the translation of financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2.20.

(d) *Distributability of reserve*

As at 30 September 2022, the Company does not have reserves available for distribution to equity holders of the Company (2021: Nil), except for contributed surplus reserve. The Group may apply any credit balance in the contributed surplus reserve of the Company in accordance with the Bye-Laws and the Bermuda Companies Act for future distributions and other usage, as permitted by the relevant Bermuda laws and regulations at the time the contributed surplus reserve is used and also subject to, amongst others, the availability of sufficient cash flow.

(e) *Fair value reserve*

The reserve represents changes in the fair value of equity shares classified as financial assets at fair value through other comprehensive income.

24. Related party transactions

- (a) *In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, who are not members of the Group during the financial year on terms agreed by the parties concerned:*

	2022	Group 2021
	HK\$'000	HK\$'000
<u>With a former director of the Company</u>		
Advances from	-	1,802
<u>With related parties</u>		
Sales to	-	9,715

Other related parties comprise mainly companies which are controlled by a director of the subsidiary.

(b) *Key management personnel remuneration*

Key management personnel are Directors and those person having authorities and responsibilities for planning, directing and controlling the activities of the Group, directly or indirectly. Remuneration for key management personnel, including amounts paid to the Company's former Directors are disclosed in Note 8.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

24. Related party transactions (continued)

(b) Key management personnel remuneration (continued)

The amounts do not include compensation of any of the key management personnel and Directors who received compensation from related corporations outside the Group in their capacity as Directors and/or Executives of those related corporations.

25. Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	2022	Group 2021	2022	Company 2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<u>Financial assets</u>				
Financial assets at amortised cost	64,267	100,269	13	171,020
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	223,608	192,248	226,860	225,127

(b) Financial risk management

The Group's financial assets comprised mainly trade receivables, other receivables and cash and bank balances. The Group's financial liabilities comprised trade and other payables and borrowings.

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Group's financial performance as described below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's and the Company's credit risk is primarily attributable to trade receivables, other receivables and deposits with banks.

Management has a credit policy in place over trade receivables and other receivables and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount and advance to business partners. Trade receivables are due on the date of billing. With respect to advances to third parties, the repayment terms are set out in each fund advance agreement and normally are repayable within one year. The Group does not obtain collaterals from both customers and business partners.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECLs"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

25. Financial instruments (continued)

(b) Financial risk management (continued)

Credit risk (continued)

Description of evaluation of financial assets

Basis for recognition and measurement of ECL

There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings

Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if the financial asset has a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term.

Definition of default

The Group considers information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group as constituting an event of default for internal credit risk management purposes. Based on historical experience, it indicates that receivables that meet the criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

25. Financial instruments (continued)

(b) Financial risk management (continued)

Credit risk (continued)

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year, except for reassessments made of the current COVID-19 pandemic effects on the historical default rates of each past due category of its trade receivables.

Maximum exposure and concentration assumptions

At the balance sheet date, the Group's trade receivables were due mainly due from major customers located in PRC. These are approximately 73% of the Group's trade receivables due from 4 major customers as at 30 September 2021.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the balance sheets.

Movements in credit loss allowance are as follows:

	Trade receivables	Other receivables *	Total
	HK\$'000	HK\$'000	HK\$'000
Group			
Balance at 1 October 2020	14,958	17,421	32,379
Loss allowance measured/(reversed):			
Lifetime ECL			
- credit-impaired	(1,340)	99,940	98,600
Currency translation differences	580	1,043	1,623
Balance at 30 September 2021	14,198	118,404	132,602
Loss allowance measured:	-	35,054	35,054
Balance at 30 September 2022	14,198	153,458	167,656

*Excludes Advances to suppliers disclosed in Note 16.

	Amounts due from subsidiaries
	HK\$'000
Company	
Balance at 1 October 2020	356,649
Currency translation differences	208
Balance at 30 September 2021	356,857
Loss allowance	160,247
Currency translation differences	(36,745)
Balance at 30 September 2022	480,359

Credit risk exposure in relation to financial assets at amortised cost (other than trade receivables and other receivables) as at 30 September 2022 and 30 September 2021 is insignificant, and accordingly no credit loss allowance is recognised as at 30 September 2022 and 30 September 2021.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

25. Financial instruments (continued)

(b) *Financial risk management (continued)*

Credit risk (continued)

Other financial assets at amortised cost (continued)

The table below details the credit quality of the Group's financial assets (other than trade receivables):

	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
		HK\$'000	HK\$'000	HK\$'000
30 September 2022				
Other receivables (excluding prepayments and advances to suppliers)	Lifetime ECL	166,261	(153,458)	12,803
Cash and bank balances	Exposure Limited	34,423	-	34,423
30 September 2021				
Other receivables (excluding prepayments and advances to suppliers)	12-month ECL	8,210	-	8,210
	Lifetime ECL	145,496	(118,404)	27,092
Cash and bank balances	Exposure Limited	48,290	-	48,290

The table below details the credit quality of the Company's financial assets:

	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
		HK\$'000	HK\$'000	HK\$'000
30 September 2022				
Amounts due from subsidiaries	Lifetime ECL	480,359	(480,359)	-
Other receivables (excluding prepayments)	Exposure Limited	13	-	13
30 September 2021				
Amounts due from subsidiaries	Lifetime ECL	516,620	(356,857)	159,763
Other receivables (excluding prepayments)	Exposure Limited	9	-	9
Cash and bank balances	Exposure Limited	11,248	-	11,248

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's Board of Directors when the borrowings exceed certain predetermined levels of authority.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

25. Financial instruments (continued)

(b) Financial risk management (continued)

Liquidity risk (continued)

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company are required to pay:

	2022				2021			
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	2 to 5 years	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	2 to 5 years
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Group								
Trade and other payables	70,502	70,502	70,502	-	50,806	50,806	50,806	-
Bank loans	14,218	14,218	14,218	-	15,648	16,221	16,221	-
Loans from third parties	121,704	121,704	121,704	-	125,389	146,079	104,504	41,575
Loans from related parties	16,779	16,779	16,779	-	-	-	-	-
Lease liabilities	405	405	405	-	405	405	322	83
	<u>223,608</u>	<u>223,608</u>	<u>223,608</u>	<u>-</u>	<u>192,248</u>	<u>213,511</u>	<u>171,853</u>	<u>41,658</u>
Company								
Trade and other payables	37,466	37,466	37,466	-	25,843	25,843	25,843	-
Amounts due to subsidiaries	67,690	67,690	67,690	-	73,895	73,895	73,895	-
Loans from third parties	121,704	121,704	121,704	-	125,389	146,079	104,504	41,575
	<u>226,860</u>	<u>226,860</u>	<u>226,860</u>	<u>-</u>	<u>225,127</u>	<u>245,817</u>	<u>204,242</u>	<u>41,575</u>

Foreign currency risk

The Group operates in the PRC, Hong Kong and Thailand.

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as Hong Kong dollar ("HKD"), Singapore dollar ("SGD"), United States dollar ("USD") and Renminbi ("RMB"). Currency risk arises when transactions are denominated in foreign currencies. This risk is mitigated to certain extent by the natural hedge between sales receipts and purchases, and operating expenses disbursement.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

25. Financial instruments (continued)

(b) *Financial risk management (continued)*

Foreign currency risk (continued)

The Group's and the Company's currency exposure based on the information provided to key management is as follows:

	HKD HK\$'000	SGD HK\$'000	USD HK\$'000	RMB HK\$'000
Group				
2022				
Cash and bank balances	-	-	-	-
Other receivables	13	-	-	-
Other payables	(6,505)	(25,678)	(5,283)	-
Borrowings	-	(106,006)	(15,698)	-
Net financial liabilities denominated in foreign currencies	(6,492)	(131,684)	(20,981)	-
2021				
Cash and bank balances	24	11,224	1	-
Other receivables	9	-	-	-
Trade and other payables	(6,505)	(17,464)	(1,873)	-
Borrowings	-	(110,311)	(15,078)	-
Net financial assets/(liabilities) denominated in foreign currencies	(6,472)	(116,551)	(16,950)	-
	HKD HK\$'000	SGD HK\$'000	USD HK\$'000	RMB HK\$'000
Company				
2022				
Cash and bank balances	-	-	-	-
Other receivables	13	-	-	-
Amounts due to subsidiaries	-	(500)	-	-
Other payables	(6,505)	(25,678)	(5,283)	-
Borrowings	-	(106,006)	(15,698)	-
Net financial liabilities denominated in foreign currencies	(6,492)	(132,184)	(20,981)	-
2021				
Cash and bank balances	24	11,224	-	-
Other receivables	9	-	-	-
Amounts due from subsidiaries	112,821	2,444	-	-
Trade and other payables	(6,505)	(17,464)	(1,873)	-
Borrowings	-	(110,311)	(15,078)	-
Net financial assets/(liabilities) denominated in foreign currencies	106,349	(114,107)	(16,951)	-

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

25. Financial instruments (continued)

(b) Financial risk management (continued)

Foreign currency risk (continued)

If foreign currencies change against the respective functional currencies of the Group's entities by 5% (2021: 5%) with all other variables including tax rate being held constant, the effect arising from the net monetary assets/(liabilities) position will be as follows:

	Increase/(decrease) in loss after tax	
	2022	2021
	HK\$'000	HK\$'000
Group		
HKD against RMB		
- strengthened	325	(4,413)
- weakened	(325)	4,413
SGD against RMB		
- strengthened	6,609	4,735
- weakened	(6,609)	(4,735)
USD against RMB		
- strengthened	1,049	703
- weakened	(1,049)	(703)
	Increase/(decrease) in loss after tax	
	2022	2021
	HK\$'000	HK\$'000
Company		
HKD against RMB		
- strengthened	325	(4,413)
- weakened	(325)	4,413
SGD against RMB		
- strengthened	6,609	4,735
- weakened	(6,609)	(4,735)
USD against RMB		
- strengthened	1,049	703
- weakened	(1,049)	(703)

Interest rate risk

The Group's and the Company's exposure to the risk of changes in interest rates arises mainly from their bank loans and loans from third parties. Borrowings at fixed rates expose the Group and the Company to fair value interest rate risk (ie. the risk that the value of a financial instrument will fluctuate due to changes in market rates). The Group's and the Company's policy is to obtain most favourable interest rate available in the market. The Group and the Company do not utilise derivative to mitigate its interest rate risk.

If the interest rates increase/decrease by 50 (2021: 50) basis points with all other variables including tax rate being held constant, the loss after tax of the Group and the Company will be higher/lower by approximately HK\$766,000 (2021: HK\$695,000) and HK\$609,000 (2021: HK\$627,000) respectively as a result of higher/lower interest expenses on borrowings.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

26. Fair values of assets and liabilities

(a) Fair value hierarchy

The table below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- i. Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- ii. Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (ie derived from prices); and
- iii. Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair value of the current financial assets and liabilities

The current financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

(c) Determination of fair values

Non-current loans from third parties

The basis of determining fair value for disclosure at the balance sheet date is disclosed in Note 19.

27. Capital commitments

As at reporting date, there are no capital expenditures contracted for at the balance sheet date but not recognised in the consolidated financial statements are as follows:

28. Capital management

It is the policy of the Board of Directors to maintain an appropriate capital base to support the Group's business and maximise shareholders' value through the optimisation of debt and equity balance. It is also the policy of the Board of Directors to monitor the return on capital (comprising share capital and reserves and the level of dividends to ordinary shareholders). The Company's ability to manage its capital has, however, constrained by the current difficult operating conditions as the Company placed under judicial management (see Note 1).

29. Basis for disclaimer of opinion on the financial statements for the financial year ended 30 September 2021

The preceding auditor's report, audited by another firm of auditors, dated 25 February 2025 contained a disclaimer of opinion on the financial statements for the financial year ended 30 September 2021. The extract of the basis of the disclaimer of opinion is set out as follows:

Basis for Disclaimer of Opinion

1. Limitation of scope

We were not able to and have not performed an audit in accordance with Singapore Standards on Auditing on the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 September 2021 due to non-availability of required documents, information and accounting records. We were also unable to carry out the necessary audit procedures to complete the review of subsequent events from 30 September 2021 up to the date of this report. In addition, we were unable to ascertain whether disclosures in these financial statements are complete and fairly stated. Consequently, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 September 2021.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

29. Basis for disclaimer of opinion on the financial statements for the financial year ended 30 September 2021 (continued)

Basis for Disclaimer of Opinion (continued)

2. Appropriateness of the going concern assumption

As disclosed in Note 3 to the financial statements, the Group and the Company incurred a net loss of HK\$111,453,000 and HK\$16,388,000 respectively and the Group incurred net cash outflow from operating activities amounting to HK\$3,404,000 during the financial year ended 30 September 2021. As at 30 September 2021, the Group's total liabilities and current liabilities exceeded the total assets and current assets by HK\$60,720,000 and HK\$34,262,000 and respectively and the Company's current liabilities exceeded the current assets by HK\$10,596,000.

As disclosed in Note 1 to the financial statements, the High Court of Singapore has granted the order to place the Company under judicial management on 28 June 2022.

These factors indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and the Company to continue as going concerns.

During the course of audit, we were not provided with sufficient appropriate audit evidence to assess the future plans of the Group and the Company and also whether the Group and the Company are able to continue in operational existence for the foreseeable future. Consequently, we were unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of these accompanying financial statements and the adequacy of the disclosure about material uncertainty relating to going concern as made in these accompanying financial statements.

The financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns. In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to provide for further liabilities that may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities respectively. No such adjustments have been made to the financial statements.

3. Notice of compliance

As disclosed in Note 31 to the financial statements, as required by Singapore Exchange Securities Trading Limited, an independent reviewer, FTI Consulting Pte Ltd has been appointed to conduct an investigation on events which began prior to year 2019. As of the date of this report, the investigation findings report has not yet been issued. Consequently, we were unable to determine if any adjustments to and additional disclosures in the accompanying financial statements of the Group and the Company might be necessary arising from the findings of the investigation.

4. Opening balances

The independent auditor's report dated 5 February 2021 expressed a disclaimer of opinion on the financial statements for the financial period from 1 April 2019 to 30 September 2020 ("**financial period ended 30 September 2020**"). The basis for disclaimer of opinion on the financial statements for the financial period ended 30 September 2020 are disclosed in Note 30 to this financial statement for the financial year ended 30 September 2021. These included:

- Refundable advances for proposed acquisition
- Advances to suppliers, third parties and a related party
- Property, plant and equipment
- Investment in subsidiaries
- Amount due from subsidiaries

In view of the matters described in the basis for disclaimer of opinion on the financial statements for the financial period ended 30 September 2020, We were unable to determine whether the opening balances as at 1 October 2020 are fairly stated. Since the opening balances as at 1 October 2020 enter into the determination of the financial performance and cash flows for the financial year ended 30 September 2021, We were unable to determine whether any adjustments might have been found necessary in respect to the financial statements for the financial year ended 30 September 2021.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

29. Basis for disclaimer of opinion on the financial statements for the financial year ended 30 September 2021 (continued)

Basis for Disclaimer of Opinion (continued)

4. Opening balances (continued)

We also do not express an opinion on the current financial year's financial statements because of the possible effects of these matters on the comparability of the current financial year's figures and the corresponding figures.

30. Notice of compliance

The Company received a notice of compliance from Singapore Exchange Securities Trading Limited pursuant to Rule 1405 of the Listing Manual as announced on 8 September 2021 to appoint a suitable independent reviewer to conduct an investigation on the below events which began prior to 2019:

- (a) the facts and circumstances surrounding the proposed acquisition of 45% of the issued and paid-up shares of First Linkage Inc. ("**First Linkage**") (the "**Proposed Acquisition of First Linkage**") for the purchase consideration of RMB90,000,000. This should include an assessment into the: (i) payment of the refundable deposit by LottVision Internet Management Limited amounting to HK\$91.4 million to Mr. Wang Xiaoxin in connection with the Proposed Acquisition of First Linkage; and (ii) recovery of the refundable deposit from Mr. Wang Xiaoxin;
- (b) the facts and circumstances surrounding the proposed acquisition of Xinjiang Zhongtong Internet Science and Technology Development Co., Ltd.; and
- (c) the facts and circumstances surrounding the advance payments of RMB26,810,000 to Chengdu Meili Tianyuan Agriculture Co. Ltd..

The Company has appointed an independent reviewer, FTI Consulting Pte Ltd to conduct the above investigation. As of the date of authorisation of these financial statements, the investigation findings report has not yet been issued.

Proposed acquisition of First Linkage

On 15 March 2018, the Company announced that an indirectly wholly-owned subsidiary of the Company, LottVision Internet Management Limited ("**LottVision Internet Management**") had entered into a deed of sale and purchase and a shareholders' agreement with Mr. Wang Xiaoxin in connection with the proposed acquisition of 45% of the issued and paid-up shares of First Linkage Inc. for the purchase consideration of RMB90,000,000.

*Proposed acquisition of Xinjiang Zhongtong Internet Science and Technology Development Co., Ltd. ("**XJZT**")*

On 21 June 2019, the Company announced that it has entered through LottVision Internet Management, into a sale and purchase agreement with First Linkage in connection with the acquisition of 100% of the equity interests of XJZT for the aggregate consideration of RMB50,000,000 (the "**Proposed Acquisition of XJZT**").

Set-off of consideration for the Proposed Acquisition of XJZT, against the remaining deposit for the Proposed Acquisition of First Linkage which was terminated

On 3 December 2019, in relation to the Proposed Acquisition of XJZT, the Company announced that LottVision Internet Management, First Linkage and Mr. Wang Xiaoxin, the sole shareholder of First Linkage have entered into a deed of amendment and set-off (the "**Deed**") to further set out the parties' intentions in respect of, *inter alia*, the payment of the purchase consideration for XJZT of RMB50,000,000.

In connection with the Proposed Acquisition of First Linkage, the parties thereto had agreed for LottVision Internet Management, to provide a refundable deposit of an aggregate amount of HK\$91.4 million to Mr. Wang Xiaoxin.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

30. Notice of compliance (continued)

Set-off of consideration for the Proposed Acquisition of XJZT, against the remaining deposit for the Proposed Acquisition of First Linkage which was terminated (continued)

On 3 December 2019, the parties terminated the Proposed Acquisition of First Linkage and thereby agreed that Mr. Wang Xiaoxin shall refund the deposit in full to LottVision Internet Management, without any interest thereon. The balance of the deposit then to date which remained to be refunded by Mr. Wang Xiaoxin was HK\$66.8 million. Pursuant to the Deed, the remaining deposit shall be applied towards the payment of the purchase consideration for XJZT. However, it is noted that the Proposed Acquisition of XJZT was subsequently terminated.

Proposed settlement with Mr. Wang Xiaoxin

On 9 March 2021, in response to queries from Singapore Exchange Regulation ("SGX RegCo"), the Company said it had reached an in-principle agreement with Mr. Wang Xiaoxin whereby he will repay the outstanding refundable deposit over four (4) years ("**Proposed Settlement**"). On 3 August 2021, in response to follow-up queries from SGX RegCo, the Company said that it targets to execute a definitive agreement relating to the Proposed Settlement before the end of the financial year ended 30 September 2021.

On 4 October 2021, the Company announced that (i) LottVision Internet Management has on 30 September 2021 entered into a repayment agreement with Mr. Wang Xiaoxin ("**Repayment Agreement**"); and (ii) WiVision Network Digital Video Technology (Beijing) Co, Ltd. ("**WiVision**"), an indirectly wholly-owned subsidiary of the Company, has on 30 September 2021 entered into an equipment refund agreement with Beijing Zhonglian Shengtong Internet Technology Co, Ltd. ("**ZLST**") ("**Equipment Refund Agreement**", and collectively with the Repayment Agreement, the "**Agreements**").

Under the Repayment Agreement, the parties noted that as at 30 June 2021, the outstanding due from Mr. Wang Xiaoxin for the refundable deposit paid to Mr. Wang Xiaoxin and his affiliated persons in connection with the terminated acquisition of First Linkage was HK\$59.2 million. The parties agreed that Mr. Wang Xiaoxin shall refund the sum of RMB60.0 million to LottVision Internet Management over a 3.5-year period running from 1 October 2021 as full and final settlement of the outstanding amounts. The first payment of RMB7.5 million will be made within thirty (30) days from the date of Repayment Agreement. Mr. Wang Xiaoxin will then pay to LottVision Internet Management a sum of RMB7.5 million on or before 31 March 2022 and every six (6) months henceforth until the final payment on 31 March 2025. Under the Equipment Refund Agreement, the parties agreed that ZLST shall refund to WiVision the total sum of RMB33,500,000 over a 3.5-year period running from 1 October 2021 for the return of the internet hardware and software equipment acquired from ZLST in April 2019. ZLST shall pay to WiVision (i) the sum of RMB1.5 million within five (5) working days from the date of the Equipment Refund Agreement; and (ii) the sum of RMB8 million on 31 March 2022. ZLST will then pay a sum of RMB8 million on 31 March of each year until the final payment on 31 March 2025.

The advance payments of RMB26,810,000 to Chengdu Meili Tianyuan Agriculture Co. Ltd. ("**MLTY**")

On 11 August 2021 in response to SGX RegCo's queries, the Company submitted that the HK\$31,961,000 advances to third parties and suppliers mainly represented RMB26,810,000 advances to MLTY since 2018. MLTY is an associate of the customers of Nutryfarm (Chengdu) Biomedicine Ltd and maintains influence over the two (2) customers.

31. Events after the reporting period

- (a) On 9 December 2022, the Judicial Manager and the Company entered into a legally binding term sheet with Corpbond pursuant to which Corpbond will provide funding of up to S\$1,000,000 to be used by the Judicial Manager for the purposes as specified by Corpbond, including but not limited to, asset recovery of the Group.

On 30 January 2023, the Company entered into a loan agreement with Corpbond. Corpbond will extend a loan of up to a principal amount of S\$1,000,000 to the Company for the purpose of asset recovery of the Group.

- (b) As disclosed in Mr Niu Liming's 5th affidavit affirmed on 7 July 2023 in the matter of HC/OA 118/2022, Nutryfarm (Chengdu) Biomedicine Limited ("**NFC**") has been transferred to AGS Foods Canada Limited ("**AGS**") by Mr Chen Yao Ming, a former director, without due authorisation by the Company on 26 April 2023.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

31. Events after the reporting period (continued)

- (c) On 15 July 2024, the Company and Judicial Manager had entered into a Restructuring Agreement with Corpbond, to which all parties have agreed to facilitate the restructuring of the claims of the Company's creditors (excluding Corpbond).

Subject to the terms and conditions set out in the Restructuring Agreement, it was agreed to effect the restructuring in the following manner:

- Each creditor shall receive a lump sum payment of 20% of each Creditor's Approved Claim (as defined in the Restructuring Agreement) in cash, rounded up to the nearest dollar (the "**Cash Consideration**") implemented and/or effected as set out in the Restructuring Agreement;
- On the settlement date:
 - (i) the Cash Consideration shall be paid by Corpbond to each creditor;
 - (ii) each creditor shall assign, novate and/or otherwise transfer its claim in full and unconditionally to the Corpbond; and
 - (iii) after the assignment, novation and/or transfer of its claim, each creditor shall have no further claims against the Company.

On 10 September 2024, the Company announced that the conditions precedent under the Restructuring Agreement were satisfied and payment of the Cash Consideration to the participating creditors was made on 29 August 2024.

- (d) On 12 September 2024, the Company's wholly-owned subsidiary, Global Agricapital (Singapore) Pte Ltd changed its name to AI Nova Pte. Ltd. ("**AI Nova**") and changed its principal activities to technical testing and analysis services (including certification of products and services) and wholesale trade of a variety of goods without a dominant product.

- (e) On 10 October 2024, the Company entered into a loan agreement with the Investor for the provision of an interest-free loan of S\$5,000,000, repayable on the date falling five (5) years from the disbursement date and may be extended for a further period, if both parties mutually agreed to such extensions in writing.

In connection with the loan agreement with the Investor, the Company entered into a Supplementary Deed (the "**Supplementary Deed**") with Corpbond on 14 October 2024 to record Corpbond's consent and waiver to the Company's entry into the loan agreement and to obtain the loan from the Investor, with the resumption of trading of the Company's shares on the Mainboard of the SGX-ST up to an aggregate sum of S\$1,000,000 and provide for the agreed use of proceeds of the loan from the Investor. Pursuant to the terms of the Supplementary Deed, it was agreed that the loan of S\$5,000,000 would be allocated as follows:

- (i) S\$1,500,000 will be allocated for capital injection into AI Nova for working capital purposes;
- (ii) S\$300,000 will be allocated for expenses related to the Company's resumption of trading of its shares on the Mainboard of the SGX-ST; and
- (iii) the remaining balance will be used for the Company's general working capital needs.

- (f) On 25 October 2024, AI Nova received an amount of S\$1,500,000 from the Company for capital injection through the issuance and allotment of 1,500,000 ordinary shares in AI Nova at an issue price of S\$1.00 per ordinary share.

- (g) On 20 December 2024, AI Nova entered a memorandum of understanding ("**MOU**") with IJM RE Sdn Bhd ("**IJM RE**"), a subsidiary of IJM Corporation Berhad, that undertakes investments of real estate properties. Under the terms of the MOU, AI Nova and IJM Re have expressed their intention to jointly explore the setting up of a green data centre and AI computing services centre in Malaysia. The MOU expired on 20 June 2025.

- (h) On 13 January 2025, the Company, through its wholly-owned subsidiary, AI Nova, incorporated a wholly-owned subsidiary Xiong'an AI Nova Technology Co. Ltd (雄安艾诺瓦科技有限公司), in the PRC. The principal activity of the subsidiary is to provide information system integration services.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

31. Events after the reporting period (continued)

- (i) On 9 April 2025, the Company and the Judicial Manager entered into an Implementation Agreement (the "**Implementation Agreement**") with Corpbond, pursuant to which parties have agreed on the salient features required to restructure the Company's obligations to Corpbond in the following manner (a) Conversion Debt (b) Distressed Companies Disposal (c) Right to Sue Assignment, outlining the broad steps needed to progress the restructuring of the Company.
- (j) On 30 June 2025, the Company has incorporated a wholly-owned subsidiary, AI Nova Sdn. Bhd., in Malaysia. The principal activity of the subsidiary is to support potential investments in the technology, media, and telecom sector in Malaysia or Peninsular Malaysia.
- (k) On 30 June 2025, the Company submitted the ROTP, and on 3 July 2025, the professional opinion of the Auditor on the cashflow forecasts of the Company for FY2025 and FY2026 (the "**Forecast Memorandum**") as well as on 7 July 2025, the valuation report from TC3 Advisory LLC to SGX-ST. Following which, on 13 August 2025, SGX-ST returned with queries in respect of the ROTP and the submitted Forecast Memorandum. On 7 October 2025, an updated Forecast Memorandum was submitted to SGX-ST pursuant to changes in the business model of AI Nova.
- (l) On 11 September 2025, the Company (as the Vendor), the Judicial Manager and Corpbond (as the Purchaser) entered into a Distressed Company Disposal agreement (the "**Sales and Purchase Agreement**"), where in connection and notwithstanding with the Implementation Agreement, the Company sold to Corpbond the subsidiaries (i) Nutryfarm Biomedicine International Limited and (ii) LottVision Holdings Limited at a consideration of US\$1.00.
- (m) On 10 October 2025, the Company, the Judicial Manager and Corpbond entered into an Addendum to Implementation Agreement for a further extension of the Long-stop Date as defined in the Implementation Agreement from 30 September 2025 to 31 December 2025.
- (n) On 13 October 2025, the Company and the Judicial Manager entered into a Right to Sue Assignment (the "**Assignment Agreement**") with Corpbond, where in connection and notwithstanding with the Implementation Agreement, in consideration of the sum of S\$1.00 payable to Corpbond, the Company assigns absolutely in favour of Corpbond all of the Company's present and future rights, title and interest in and to, and all benefit accrued and to accrue to the Company in the Assigned Causes of Action (which for the avoidance of doubt, be subject to the Existing Equities), including without limitation, the sole and exclusive right for Corpbond to commence, prosecute, compromise, settle, and enforce, in its own name, any legal proceedings, arbitration, or other dispute resolution mechanism in respect of the Assigned Causes of Action, as Corpbond in its absolute discretion deems fit.

NUTRYFARM INTERNATIONAL LIMITED (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES

32. Contingent liabilities

On 27 May 2022, the Company announced that the Company received two (2) Settlement Agreements from the Finance Manager of Global Agricapital Thailand Co Ltd ("**GAT**") to compensate the customers amounting to RMB334,000,000. The Settlement Agreements were agreed on behalf of GAT by Cheng Meng, ex-director and Chief Executive Officer of the Company. Cheng Meng was also the ex-director of GAT. Prior to the receipt of the Settlement Agreements by the Company from the Finance Manager of GAT, the Company including its management and Board of Directors, 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 contemplated and agreed. As far as the Board of Directors was aware, based on the purchase agreements with the customers as announced on 29 January 2021 and 21 June 2021, the purchase agreements provide for an estimated quantity in terms of number of containers that the customers are expected to procure together with an estimated value for the purchase agreements which was only determined and agreed at the time when the customers places their orders in batches. Whilst the purchase agreements provided for GAT to ensure the quantity of shipments from the delivery origin (including quality at delivery origin and during transportation), there were no commitments or requirements on minimum quantity and/or delivery by GAT and no compensation clauses. The Company had conducted an investigation to determine if there were any other purchase agreements that the Company was not aware of, as well as the veracity and authenticity of the Settlement Agreements, including whether Cheng Meng had wilfully withheld such information from the Board of Directors and executed such agreements without the Board of Directors' approval. No other such agreements were identified during the investigation.

As announced on 13 February 2022, Cheng Meng's appointment as CEO ceased on 11 February 2022 and he was re-designated as Executive Director to manage the Thailand Durian Business. Subsequently, as announced on 2 April 2022, Cheng Meng ceased to be an Executive Director of the Company but continued as Director of GAT and was responsible for the Thailand operations of the Group's durians and fruit trading business, including to supervise and manage the Thailand finance team on GAT's financial reporting and audit obligations.

As at the date of the authorisation of the financial statements, no compensation claims have been filed against the Company. Therefore, no provision for any liability has been made in these financial statements.

33. Authorisation of financial statements

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 September 2022 have been approved by the Judicial Manager and authorised for issue via a resolution dated 27 October 2025.

Statistics of Shareholdings

As at 27 October 2025

Authorised share capital: HK\$13,742,000

Issued and fully paid up HK\$13,742,000

Class of shares: ordinary

Voting rights: One vote per share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	308	6.67	14,831	0.01
100 - 1,000	2,488	53.88	1,082,663	0.79
1,001 - 10,000	1,288	27.89	4,531,649	3.30
10,001 - 1,000,000	516	11.17	42,169,741	30.68
1,000,001 AND ABOVE	18	0.39	89,625,219	65.22
TOTAL	4,618	100.00	137,422,103	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	JIA LIJIE	21,687,500	15.78
2	CHENG MENG	13,300,000	9.68
3	TIANCI INTERNATIONAL PRIVATE LIMITED	10,000,000	7.28
4	PHILLIP SECURITIES PTE LTD	6,570,424	4.78
5	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	5,447,752	3.96
6	MAZ (WU YONGQIANG - B1536/2023)	5,230,000	3.81
7	DBS NOMINEES (PRIVATE) LIMITED	4,234,300	3.08
8	CITIBANK NOMINEES SINGAPORE PTE LTD	3,583,743	2.61
9	IFAST FINANCIAL PTE. LTD.	2,844,700	2.07
10	LIM BEE LI (LIN MEILI)	2,798,100	2.04
11	DAVID WU DEWEI	2,671,400	1.94
12	LIM HEAN NERNG	2,522,700	1.84
13	GAO HUAZHU	2,216,600	1.61
14	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	1,722,500	1.25
15	LIAO XIAOYAN	1,465,400	1.07
16	LIM CHIN HOE	1,168,200	0.85
17	LIM BOK HOO	1,102,000	0.80
18	TIGER BROKERS (SINGAPORE) PTE. LTD.	1,059,900	0.77
19	ANG POH GUAN	972,200	0.71
20	WU JIANSHENG	856,300	0.62
TOTAL		91,453,719	66.55

Statistics of Shareholdings

As at 27 October 2025

Substantial Shareholders (as recorded in the Register of Substantial Shareholders) as at 27 October 2025.

	Direct interest number of shares	%	Deemed interest number of shares	%	Total number of shares	%
Cheng Meng	13,300,000	9.68	-	-	13,300,000	9.68
Niu Liming	360,000	0.26	-	-	360,000	0.26

As at 27 October 2025, approximately 90.06% of the shareholding in the Company was held in the hands of the public (on the basis of the information available to the Company).

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2022 annual general meeting of NUTRYFARM INTERNATIONAL LIMITED (Under Judicial Management) (the "**Company**") will be held at 135 Cecil Street, #07-00, Philippine Airlines Building, Singapore 069536 on Friday, 5 December 2025 at 10.00 a.m. (Singapore time) and any adjournment thereof (the "**Annual General Meeting**") for the following purposes:

AS ORDINARY BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

1. To receive and adopt the Judicial Manager's Statement and audited financial statements of the Company for the financial period ended 30 September 2022 together with the auditor's report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company, who are retiring pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Rules**") and Article 104 of the constitution of the company (the "**Constitution**"), and who, being eligible, offer themselves for re-election as a Director of the Company:
 - (a) Mr Niu Liming [*see Explanatory Note (1)*] **(Resolution 2)**
 - (b) Mr Er Kwong Wah [*see Explanatory Note (2)*] **(Resolution 3)**
3. To appoint the following persons as Directors of the Company:
 - (a) Mr Liu Zhen Rong Daryl [*see Explanatory Note (3)*] **(Resolution 4)**
 - (b) Mr Kelvin Chow Chung Yip (Kelvin Zhou SongYe) [*see Explanatory Note (4)*] **(Resolution 5)**
 - (c) Mr Timothy John Goodchild [*see Explanatory Note (5)*] **(Resolution 6)**
 - (d) Ms Tan Chui Eng [*see Explanatory Note (6)*] **(Resolution 7)**
4. To re-appoint Nexia Singapore PAC ("**Nexia**") as the Company's auditor, to hold office until the close of the next annual general meeting of the Company, at a fee to be agreed between the Judicial Manager and Nexia. **(Resolution 8)**
5. To transact any other ordinary business which may properly be transacted at an annual general meeting. **(Resolution 9)**

Ellyn Tan Huixian
Judicial Manager
13 November 2025

Explanatory Notes:

1. Ordinary Resolution 2 is to re-elect Mr Niu Liming, who will be retiring pursuant to Article 104 of the Constitution and Rule 720(5) of the Listing Rules. Mr Niu Liming will, upon re-election, remain as Executive, Non-Independent Director of the Company.
2. Ordinary Resolution 3 is to re-elect Mr Er Kwong Wah, who will be retiring pursuant to Rule 720(5) of the Listing Rules, and will, upon re-election, remain as Non-Executive, Independent Director of the Company.
3. Ordinary Resolution 4 is to appoint Mr Liu Zhen Rong Daryl as a Director of the Company pursuant to Article 107 of the Constitution. Upon his appointment, Mr Liu Zhen Rong Daryl will be designated as Executive, Independent Director of the Company.
4. Ordinary Resolution 5 is to appoint Mr Kelvin Chow Chung Yip (Kelvin Zhou SongYe) as a Director of the Company pursuant to Article 107 of the Constitution. Upon his appointment, Mr Kelvin Chow Chung Yip (Kelvin Zhou SongYe) will be designated as Non-Executive, Independent Director of the Company.
5. Ordinary Resolution 6 is to appoint Mr Timothy John Goodchild as a Director of the Company pursuant to Article 107 of the Constitution. Upon his appointment, Mr Timothy John Goodchild will be designated as Non-Executive, Non-Independent Director of the Company.
6. Ordinary Resolution 7 is to appoint Ms Tan Chui Eng as a Director of the Company pursuant to Article 107 of the Constitution. Upon her appointment, Ms Tan Chui Eng will be designated as Executive, Non-Independent Director of the Company.

Important Notes:

1. The 2022 Annual General Meeting will be held in a wholly physical format at 135 Cecil Street, #07-00, Philippine Airlines Building, Singapore 069536 on Friday, 5 December 2025 at 10.00 a.m. (Singapore time). **There will be no option for the members to participate virtually.** Shareholders, including CPFIS and SRS investors who hold SGX shares through CPF Agent Banks or SRS Operators, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the 2022 Annual General Meeting by attending the physical meeting.

Printed copies of this notice and the accompanying proxy form will be sent by post to members. These documents have also been made available on SGX website at the URL <https://www.sgx.com/securities/company-announcements> ("**SGXNet**").

2. Submission of Questions: Members who have any substantial and relevant questions in relation to any agenda item of this notice must submit their questions in writing to the Company in advance in the following manner:
 - a) If submitted by post, be lodged at the office of Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - b) if submitted electronically, be submitted via email to the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.proxy@boardroomlimited.com

in either case, in advance of the AGM, no later than 21 November 2025 at 5.00 p.m..

Notice of Annual General Meeting

Shareholders, including CPFIS Investors and SRS Investors, who submit questions via e-mail or by post to the Company's Share Transfer Agent must provide the following information:

- (a) the Shareholder's full name;
- (b) the Shareholder's full address; and
- (c) the manner in which the Shareholder holds shares in NUTRYFARM INTERNATIONAL LIMITED (Under Judicial Management) (e.g. via CPFIS or SRS).

The Company will endeavour to upload the Company's responses to substantial and relevant questions from members on the SGXNet website by 23 November 2025.

3. Submission of Proxy Forms: Relevant Proxy Form(s) must be submitted to the Company in the following manner:

- a) If submitted by post, be lodged at the office of Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- b) if submitted electronically, be submitted via email to the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.proxy@boardroomlimited.com

in either case, no later than 10.00 a.m. on 3 December 2025 (the "**Proxy Deadline**").

- 4. A Depositor who is not an individual can only be represented at the Annual General Meeting if its nominee is/are appointed as CDP's proxy/proxies. To appoint its nominee/nominees as proxy/proxies of CDP and to enable its nominee/nominees to attend and vote at the Annual General Meeting, such Depositor should complete, execute and deposit the Depositor Proxy Form in accordance with the instructions at the Annual General Meeting.
- 5. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its corporate representative at the Annual General Meeting.
- 6. To be valid, the Shareholder Proxy Form or the Depositor Proxy Form, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the office of Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or at any adjournment thereof. Detailed instructions can be found on the Shareholder Proxy Form and Depositor Proxy Form.
- 7. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Shareholder of the Company (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.