



NUTRYFARM INTERNATIONAL LIMITED.

**NUTRYFARM INTERNATIONAL LIMITED.
(Incorporated in Bermuda)
AND SUBSIDIARIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THIRD
QUARTER AND NINE MONTHS ENDED
30 JUNE 2021**

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income for the third quarter and nine months ended 30 June 2021

	Note	Three Months Ended 30.06			Nine Months Ended 30.06		
		FY2021	FY2020	Change	FY2021	FY2020	Change
		HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Revenue	4	516,774	12,196	4,137	572,421	31,005	1,746
Cost of sales		(487,963)	(7,232)	6,647	(530,689)	(19,099)	2,679
Gross profit		28,811	4,964	480	41,732	11,906	251
Other expenses		318	8	3,875	(170)	(2,611)	(93)
Distribution expenses		(2,548)	(495)	415	(4,443)	(2,268)	96
Administrative expenses		(5,190)	(3,670)	41	(12,536)	(10,897)	15
Finance costs		(1,944)	(1,872)	4	(5,893)	(5,670)	4
Profit/(loss) before income tax	6	19,447	(1,065)	NM	18,690	(9,540)	NM
Income tax expenses	7	(203)	(44)	361	53	321	(83)
Profit/(loss) for the period		19,244	(1,109)	NM	18,743	(9,219)	NM
Profits/(loss) attributable to:							
Equity holders of the Company		19,244	(1,109)	NM	18,743	(9,219)	NM
Non-controlling interest		-	-	NM	-	-	NM
Profit/(loss) for the period		19,244	(1,109)	NM	18,743	(9,219)	NM
Other comprehensive (loss)/income							
Items that are or may be reclassified subsequently to profit or loss:							
Currency translation differences arising on consolidation, net of tax		-	12	NM	205	(797)	NM
Total comprehensive income/(loss) for the period		19,244	(1,097)	NM	18,948	(10,016)	NM
Total comprehensive (loss)/income attributable to:							
Equity holders of the Company		19,244	(1,097)	NM	18,948	(10,016)	NM
Non-controlling interest		-	-	NM	-	-	NM
Total comprehensive income/(loss) for the period		19,244	(1,097)	NM	8,948	(10,016)	NM

NM - Not meaningful

The corresponding period refers to 9 months from 1 October 2019 to 30 June 2020

The corresponding quarter end refers to 3 months from 1 April 2020 to 30 June 2020 ("PQ3FY2020")

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		As at 30/06/2021	As at 30/09/2020	As at 30/06/2021	As at 30/09/2020
Non-current assets					
Investment in subsidiaries	12	-	-	63,754	61,132
Property, plant and equipment	11	46,847	46,582	-	-
Intangible assets		1,201	567	-	-
Other receivables		1,207	1,153	-	-
		49,255	48,302	63,754	61,132
Current assets					
Inventories	13	14,763	8,008	-	-
Trade receivables	14	36,629	7,371	-	-
Prepayments, deposits and other receivables		122,378	112,442	125	133
Amounts due from subsidiaries		-	-	139,090	138,867
Cash and cash equivalents	15	16,693	8,689	123	256
		190,463	136,510	139,338	139,256
Current liabilities					
Trade and other payables	16	62,627	36,817	22,070	20,061
Contract liabilities		2,189	2,027	-	-
Short term loans	17	47,313	55,068	31,605	39,972
Amount due to subsidiaries		-	-	74,626	70,871
		112,129	93,912	128,297	130,904
Net current assets		78,334	42,598	11,041	8,352
Non-current liabilities					
Long term loans	17	95,324	83,545	95,324	83,545
		95,324	83,545	95,324	83,545
Net assets/(liabilities)		32,265	7,355	(20,529)	(14,061)
Equity					
Capital and reserves attributable to equity shareholders of the Company					
Share capital	18	11,542	9,642	11,542	9,642
Reserves		20,723	(2,287)	(32,071)	(23,703)
Total equity attributable to equity holders of the Company		32,265	7,355	(20,529)	(14,061)
Total equity		32,265	7,355	(20,529)	(14,061)

C. Condensed interim statements of changes in equity

The Group	Share Capital	Share Premium	Contributed Surplus Reserve	Fair Value Reserve	Translation Reserve	Accumulated Losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 October 2020	9,642	315,301	119,560	(45,505)	(7,531)	(384,112)	7,355
Share issuance	1,900	2,496	-	-	-	-	4,396
Other comprehensive loss for the period, net of tax:							
- Currency translation differences	-	-	-	-	(57)	-	(57)
Loss for the period	-	-	-	-	-	(958)	(958)
At 31 December 2020	11,542	317,797	119,560	(45,505)	(7,588)	(385,070)	10,736
Other comprehensive loss for the period, net of tax:							
- Currency translation differences	-	-	-	-	262	-	262
Profit for the period	-	-	-	-	-	457	457
At 31 March 2021	11,542	317,797	119,560	(45,505)	(7,326)	(384,613)	11,455
Other comprehensive loss for the period, net of tax:							
- Currency translation differences	-	-	-	-	1,566	-	1,566
Profit for the period	-	-	-	-	-	19,244	19,244
At 30 June 2021	11,542	317,797	119,560	(45,505)	(5,760)	(365,369)	32,265

The Group	Share Capital	Share Premium	Contributed Surplus Reserve	Fair Value Reserve	Translation Reserve	Accumulated Losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 October 2019	9,642	315,301	119,560	(45,505)	(13,377)	(342,038)	43,583
Other comprehensive loss for the period, net of tax:							
- Currency translation differences	-	-	-	-	(781)	-	(781)
Loss for the period	-	-	-	-	-	(3,144)	(3,144)
At 31 December 2019	9,642	315,301	119,560	(45,505)	(14,158)	(345,182)	39,658
Other comprehensive loss for the period, net of tax:							
- Currency translation differences	-	-	-	-	(29)	-	(29)
Profit for the period	-	-	-	-	-	(4,966)	(4,966)
At 31 March 2020	9,642	315,301	119,560	(45,505)	(14,175)	(384,613)	34,663
Other comprehensive loss for the period, net of tax:							
- Currency translation differences	-	-	-	-	12	-	12
Profit for the period	-	-	-	-	-	(1,109)	(1,109)
At 30 June 2020	9,642	315,301	119,560	(45,505)	(14,175)	(351,257)	33,566

The Company	Share Capital	Share Premium	Contributed Surplus Reserve	Translation Reserve	Accumulated Losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 October 2020	9,642	315,301	119,560	(5,214)	(453,350)	(14,061)
Share issuance	1,900	2,496	-	-	-	4,396
Other comprehensive loss for the period, net of tax:						
- Currency translation differences	-	-	-	(5,116)	-	(5,116)
Loss for the period	-	-	-	-	(2,457)	(2,457)
At 31 December 2020	11,542	317,797	119,560	(10,330)	(385,070)	(17,238)
Other comprehensive loss for the period, net of tax:						
- Currency translation differences	-	-	-	4,088	-	4,088
Profit for the period	-	-	-	-	(3,419)	(3,419)
At 31 March 2021	11,542	317,797	119,560	(6,242)	(459,226)	(16,569)
Other comprehensive loss for the period, net of tax:						
- Currency translation differences	-	-	-	-	-	-
Profit for the period	-	-	-	-	(3,960)	(3,960)
At 30 June 2021	11,542	317,797	119,560	(6,242)	(463,186)	(20,529)

The Company	Share Capital	Share Premium	Contributed Surplus Reserve	Translation Reserve	Accumulated Losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 October 2019	9,642	315,301	119,560	(4,145)	(420,114)	20,244
Loss for the period	-	-	-	-	(4,203)	(4,203)
At 31 December 2019	9,642	315,301	119,560	(4,145)	(424,317)	16,041
Loss for the period	-	-	-	-	(2,002)	(2,002)
At 31 March 2020	9,642	315,301	119,560	(14,175)	(426,319)	14,039
Loss for the period	-	-	-	-	(1,644)	(1,644)
At 30 June 2020	9,642	315,301	119,560	(14,175)	(427,963)	12,395

D. Condensed interim consolidated statements of cash flows

	Three Months Ended 30.06		Nine Months Ended 30.06	
	FY2021	FY2020	FY2021	FY2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash flows from operating activities				
Profit/(loss) before tax	19,895	(1,065)	18,690	(9,540)
Adjustments for:				
Amortisation of land use rights	174	4	265	145
Depreciation of property, plant and equipment	262	511	754	1,981
Interest income	(3)	(140)	(4)	(405)
Interest expenses	1,960	2,629	5,893	7,014
Inventories written down	-	-	451	-
Operating cash flows before changes in working capital	22,288	1,939	26,049	(805)
Changes in operating assets and liabilities				
(Increase)/decrease of inventories	(4,471)	(828)	(7,206)	7,245
Increase of trade and other receivables	(37,375)	3,371	(43,980)	(7,410)
(Increase)/decrease of trade and other payables	1,883	4,335	(1,748)	7,502
Currency translation adjustments	(298)	(492)	(336)	(8,233)
Cash used in operations	(17,973)	8,325	(27,221)	(1,701)
Income tax paid	(203)	(44)	53	791
Net cash flows used in operating activities	(18,176)	8,281	(27,168)	(910)
Cash flows from investing activities				
Interest received	3	140	4	526
Purchase of intangible assets	-	-	(533)	-
Purchase of property plant and equipment	(1,019)	-	(1,019)	-
Refund from suppliers and third parties	2,014	-	2,014	(6,886)
Refund for the proposed acquisition of an associated company	870	(22)	2,771	2,798
Advance from a third party	6,000	-	6,000	-
Net cash generated from/(used) in investing activities	7,868	118	9,237	(3,562)
Cash flows from financing activities				
Interest paid	-	-	(1,953)	(2,622)
Drawdown of bank loans	-	14,261	-	14,261
Proceeds from share issuance	-	-	4,396	-
Repayment of bank loans	-	(16,323)	-	(16,323)
Deposits received from a proposed share placement	21,721	-	21,721	-
Net cash (used in)/generated from financing activities	21,721	(2,062)	24,164	(4,684)
Net decrease in cash and cash equivalents	11,413	6,337	6,233	(9,156)
Cash and cash equivalents at beginning of the period	3,777	3,780	8,689	12,459
Effect of foreign exchange rate changes	1,503	(374)	1,771	6,440
Cash and cash equivalents at end of the period	16,693	9,743	16,693	9,743



E. Notes to the condensed interim consolidated financial statements

1. Corporate information

NutryFarm International Limited (the “Company”) is a company incorporated in Bermuda with limited liability under the Bermuda Companies Act 1981 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The registered office at Canon’s Court, 22 Victoria Street, Hamilton HM 12, 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

2. Basic of preparation

The condensed interim financial statements for the nine months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the performance of the Group since the last annual financial statements for the year ended 30 September 2020.

The condensed interim financial statements 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.

There were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 30 September 2020, which were in accordance with SFRS(I)s.

2.2 Use of judgements and estimates

The preparation of the condensed interim financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2020

3. Seasonal operation

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Fruits Business
- Segment 2: Nutrition Business

4.1 Reportable Segment

	9 months period ended 30 June 2021			9 months period ended 30 June 2020		
	Fruit Business	Nutrition Business	Total	Fruit Business	Nutrition Business	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue						
Sales to external customers	522,792	49,629	572,421	-	31,005	31,005
Gross profit	22,331	19,401	41,732	-	11,906	11,906
Unallocated						
Other expenses			(170)			(2,611)
Distribution expenses			(4,443)			(2,268)
Administrative expenses			(12,536)			(10,897)
Finance costs			(5,893)			(5,670)
Segment operating profit			18,690			(9,540)
Taxation			53			321
Segment profit for the year			18,743			(9,219)
Segment assets	43,634	84,609	128,243	-	95,509	95,509
Unallocated			111,475			108,175
			239,718			203,684
Segment liabilities	(1,735)	(42,995)	(44,730)	-	(26,877)	(26,877)
Unallocated			(162,723)			(143,241)
			(207,453)			(170,118)

Geographical information

The Group operates in Singapore, Thailand and the People's Republic of China. The following table provides an analysis of the Group's revenue from external customers based on the geographical location where revenue is generated:

	Group Revenue	
	2021	2020
	HK\$'000	HK\$'000
People's Republic of China	572,421	31,005
Thailand	-	-
Singapore	-	-
	<u>572,421</u>	<u>31,005</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 30 September 2020.

	Note	The Group		The Company	
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial Assets					
Cash and bank balances and trade and other receivables		53,322	16,060	123	256
Financial Liabilities					
Trade and other payables and borrowings (Amortised cost)		109,940	91,885	53,671	60,033

6. Profit before taxation
6.1 Significant items

	Note	The Group		
		9 months ended 30 June 2021	9 months ended 30 June 2020	Change +/-
		HK\$'000	HK\$'000	%
Expenses				
Interest on borrowings		5,893	5,668	4%
Depreciation of property, plant and equipment and amortisation on use of rights		1,019	2,126	-52%

6.2 Related party transaction

There is no material related party transaction apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Note	The Group		
		9 months ended 30 June 2021	9 months ended 30 June 2020	Change +/-
		HK\$'000	HK\$'000	%
Current income tax credit		(1,870)	-	NM
Deferred income tax expense relating to origination and reversal of temporary differences		1,817	(321)	NM
		(53)	(321)	-83

8. Earnings/Loss Per Share

	Note	The Group		The Company	
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		HK cents	HK cents	HK cents	HK cents
a) Based on the weighted average number of ordinary shares in issue; and		17.16	(1.15)	16.71	(9.56)
b) On a fully diluted basis (detailing any adjustments made to the earnings)		17.16	(1.15)	16.71	(9.56)

Note to 8(a): For Q3FY2021, the calculation of basic loss per share was based on profit attributable to equity holders of the Group of HK\$19,244,000 (Company: HK\$18,743,000) and the weighted average of 112,151,041 ordinary shares in issue.

For the corresponding period ended 30 June 2020 ("PQ3FY2020"), the calculation of basic loss per share was based on loss attributable to equity holders of the Group of HK\$1,109,000 (Company: HK\$9,219,000) and the weighted average of 96,422,103 ordinary shares in issue.

Note to 8(b): Fully diluted profit/(loss) per share for Q3FY2021 and PQ3FY2020 are the same as (loss)/profit per share based on weighted average number of ordinary shares since there was no potential dilutive ordinary shares outstanding during Q3FY2021 and PQ3FY2020.

9. Net Assets Value

	Note	The Group		The Company	
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		HK cents	HK cents	HK cents	HK cents
Net assets value per ordinary share		27.95	7.63	(17.79)	(14.58)

The calculation of net asset value per share of the Company was based on the Company's net liabilities value of HK\$20,529,000 as at 30 June 2021 (net liabilities at 30 September 2020: HK\$14,061,000) and 115,422,103 ordinary shares in issue as at 30 June 2021 (at 30 September 2020: 96,422,103).

The calculation of net asset value per share of the Group was based on the Group's net asset value of HK\$32,265,000 as at 30 June 2021 (at 30 September 2020: HK\$7,355,000) and 115,422,103 ordinary shares in issue as at 30 June 2021 (at 30 September 2020: 96,422,103).

10. Right-of-use assets

	Note	The Group		The Company	
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost					
Beginning of financial year		107,321	66,130	-	-
End of interim period		108,340	107,321	-	-
Accumulated depreciation and impairment losses					
Beginning of financial year		60,739	49,097	-	-
Depreciation charge for the interim period		754	11,642	-	-
End of interim period		61,493	60,739	-	-
Net book value		46,847	46,582	-	-

As at 30 June 2021, the entire land use right is pledged in connection with a bank loan.

No impairment loss is recognised in 3Q FY2021 (2020: HK\$8.3 million).

11. Property, plant and equipment

Property, plant and equipment ("PPE"), right of use of assets and intangible assets as at 30 June 2021 was HK\$48.0 million as compared to HK\$47.1 million as at 30 September 2020. The slight increase was due to the purchase of machines for nutrition business.

12. Subsidiaries

	Note	The Group		The Company	
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Unquoted equity shares at cost		-	-	134,228	134,228
Less: allowance for impairment losses				(73,096)	(73,096)
Additional		-	-	2,622	-
Total		-	-	63,754	61,132

Name of subsidiaries	Note	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
				30 June 2021	30 September 2020
				%	%
Held by the Company					
Nutryfarm Biomedicine International Limited		Investment holdings	BVI	100	100
LottVision Holdings Limited		Investment holdings	BVI	100	100
Global Agricapital Holdings Pte Ltd		Sales of fruits	Singapore	100	100
Held by Subsidiaries					
LottVision Gtech Management Ltd.		Investment holdings	BVI	100	100
LottVision (Hong Kong) Limited		Investment holdings	Hong Kong	100	100
LottVision Investment Holdings Limited		Investment holdings	BVI	100	100
LottVision Internet Management Limited		Development and sale of digital video surveillance products and solutions	BVI	100	100
WiVision Network Digital Video Technology (Beijing) Co. Limited		Provision of internet related support services	The PRC	100	100
Nutryfarm (Chengdu) Biomedicine Limited		Research and development, production and sale of health food, food supplement and nutrition products	The PRC	100	100
Global Agricapital (Thailand) Co., Ltd (Incorporated on 17 June 2021)		Sales of fruits	Thailand	100	-
Kong Jun Global Pte Ltd (Incorporated on 18 June 2021)		Sales of fruits	Singapore	51	-

Impairment assessment of investment in subsidiaries

No impairment loss is recognised in FY2021 todate.

13. Inventories

	Note	The Group		The Company	
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Statements of Financial Position :					
Inventories :					
Raw material		11,195	5,177	-	-
Work-in-progress		479	234	-	-
Finished goods		3,089	2,597	-	-
Total		14,763	8,008	-	-

14. Trade and other receivables

	Note	The Group		The Company	
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade receivables					
Bill receivables		-	-	-	-
Trade receivables		36,629	7,371	-	-
Total trade receivables		36,629	7,371	-	-
Other receivables					
Deposits		977	179	-	-
Prepayments		14,940	739	-	-
Advances to suppliers		-	4,892	-	-
Advances to third parties		33,904	30,771	-	-
Advances for proposed acquisition		59,205	61,976	-	-
Advances to a related party		7,146	8,924	-	-
Other receivables		6,206	4,961	-	-
Total other receivables		122,378	112,442	-	-
Total trade and other receivables		159,007	119,813	-	-

Trade receivables

The Group recorded HK\$36.6 million trade receivables as at 30 June 2021. Compared to HK\$7.4 million in trade receivables as at 30 September 2020, the HK\$29.2 million increase includes HK\$22.0 million increase from GAH for the Group's fruit business and HK\$6.4 million increase from the main customers of NFC in tandem with the significant increase in revenue from the two businesses.

Other receivables

The Group recorded HK\$122.4 million prepayments, deposits and other receivables as at 30 June 2021. It mainly comprises HK\$59.2 million the advances Xiaoxin Wang in connection with the previous proposed acquisition of First Linkage Inc, HK\$13.9 million prepayment for fruit business as deposits to secure offtake for the harvests and HK\$43.1 million the advances to suppliers, third parties and a related party. In this quarter, Mr. Xiaoxin Wang refunded HK\$0.9 million to the Group in Q3FY2021.

15. Cash and bank balances

	Note	The Group		The Company	
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash in hand		216	210	-	-
Bank balances		16,477	8,479	123	256
Cash and bank balances as stated in the statement of financial position		16,693	8,689	123	256
Cash and cash equivalents as stated in the consolidated statement of cash flows		16,693	8,689	123	256

16. Trade and other payables

	Note	The Group		The Company	
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade payables		7,877	7,810	-	-
Other payables and accruals		11,646	19,056	10,054	13,747
Accrued interest expenses		8,832	3,654	8,832	3,654
Director fees payable		2,001	1,477	2,001	1,477
Amount due to a former Director of the Company		2,640	2,640	1,183	1,183
Amount due to a related party		770	770	-	-
Advance received from third parties		7,140	1,410	-	-
Share placement deposit received		21,721	-	-	-
Total other payables		54,750	29,007	22,070	20,06
Total trade and other payables		62,627	36,817	22,070	20,06

Trade payables

The trade payables as at 30 June 2021 has no material fluctuation compared to 30 September 2020.

Other payables

Other payables increased by HK\$25.8 million; mainly represented 1) HK\$21.7 million deposits for the proposed share placement announced on 4 June 2021 which is subject to SGX approval of the listing and quotation of the new shares, and 2) HK\$6.0 million advances from a third party to NFC.

17. Borrowings

	Note	The Group		The Company	
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Borrowings		95,324	83,545	95,324	83,545
Amount repayables within one year or on demand					
Secured		15,712	15,096	-	-
Unsecured		31,601	39,972	31,605	39,972
Total		47,313	55,068	31,605	39,972
Unsecured loan as at 30 July 2021		142,637	138,613	126,929	123,517

The Group recorded HK\$47.3 million short term loans. It included a bank loan of an aggregate sum of HK\$15.7 million as at 30 June 2021 which is secured by NFC's land use right and properties; and HK\$31.6 million current portion of third-party loans of the Group.

The Group recorded HK\$95.3 million in long term payables as at 30 June 2021. It represents the Company's receipt of a third-party loan from investors with an annual interest rate of 3.5% and 7.4% for one year to two years.

18. Share capital

	Note	The Group		The Company	
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		No. of shares	No. of shares	No. of shares	No. of shares
Authorized		1,750,000,000	1,750,000,000	1,750,000,000	1,750,000,000
Issued and fully paid					
At beginning		96,422,103	96,422,103	96,422,103	96,422,103
Additional: share capital paid on 17 November 2020		19,000,000	-	19,000,000	-
At end of the period		115,422,103	96,422,103	115,422,103	96,422,103

The Company did not hold any treasury shares as at 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 30 September 2020.

The Company entered into subscription agreements with various investors on 4 June 2021 to issue 22,000,000 new shares at S\$0.29 (the "Placement"). The Placement is not completed and is subject to SGX approval of the listing and quotation of the new shares.



F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. REVIEW

The condensed interim balance sheets of Nutryfarm International Limited and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated income statement, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated cash flow statement for the nine-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

With reference to the audited financial statements for the financial period ended 30 September 2020 ("FY2020"), the Company's independent auditors, Baker Tilly TFW LLP, has issued a "disclaimer opinion" on the basis of the following six issues.

(1) Refundable advances for proposed acquisition

With regards to the refundable advances, the Company is still in discussions with Mr. Xiaoxin Wang to reach a definitive agreement on a repayment schedule for the outstanding advances, and in the meantime, HK\$870,000 had been refunded in Q3FY2021.

(2) Advances to suppliers, third parties and a related party

The Group has continued to maintain business with these suppliers, third parties and the related party in Q3FY2021, and nothing has come to attention to suggest that the carrying amounts of the Group's advances to suppliers, third parties and related party may not be duly utilized or refunded in the ordinary course of business, although there may be delays in the originally agreed or expected schedules for payment in light of the ongoing COVID-19 situation and resulting impacts.

(3) Property, plant and equipment

The Company is in negotiations with Mr. Xiaoxin Wang to sell the internet related hardware and software to him or his designated parties, and currently does not contemplate any material impairment of such assets.

(4) Investment in subsidiaries

This investment in subsidiaries is related to NFC. It was only presented on the Company's level and had been eliminated in the Group level. It had no financial impact whatsoever on the Group's consolidated balance sheet and statement of profit or loss. Because of note 2 of the basis for disclaimer of opinion, the independent auditor issued this note as one of the basis for disclaimer of opinion.

(5) Amounts due from subsidiaries

Based on information available to the Board as at the date of this announcement, nothing has come to attention to suggest that there may be a material impairment to the carrying amounts of the investment in subsidiaries and/or amounts due from subsidiaries.

(6) Appropriateness of the going concern assumption

The Board has made its assessment of the Group's ability to continue as a going concern based on various factors including, inter alia, revenue from the fruits business, recovery of advance payments, potential divestment of non-core assets and fund-raising efforts.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that the impact of all outstanding audit issues above have been adequately disclosed.

2. REVIEW OF GROUP PERFORMANCE

Income statement

Revenue

In Q3FY2021, the Group recorded revenue of approximately HK\$516.8 million as compared to HK\$12.2 million in PQ3FY2020. Majority of the revenue was generated by the Group's subsidiary, Global Agricapital Holdings Pte Ltd. ("GAH"). GAH contributed HK\$494.9 million revenue in Q3FY2021 for the fruit business through the fulfillment of durian shipments to its customers in the period. Meantime, NFC's nutrition business achieved HK\$21.9 million in Q3FY2021 representing an increase of 79.5% over the corresponding period last year. The components of revenue are set out in Note 2 "Segment Information".

Other income

The Group recorded HK\$318,000 other income in Q3FY2021. It mainly represented investment income gained from short-term securities.

Operating expenses

In Q3FY2021, the Group reported distribution expenses of approximately HK\$2.5 million as compared to HK\$0.5 million in PQ3FY2020; and administrative expenses of approximately HK\$5.2 million in Q3FY2021 as compared to approximately HK\$3.7 million in PQ3FY2020.

The HK\$2.0 million increase in the distribution expenses in Q3FY2021 was mainly due to the increase of marketing expenses in NFC, according to the situation of COVID-19 in China.

The Group recorded HK\$1.5 million increase in administrative expenses in Q3FY2021 as compared to PQ3FY2020. It mainly included HK\$0.7 million increase of research and development expenses of NFC and HK\$0.3 million administrative expense of GAH.

Finance costs

The Group recorded HK\$1.9 million in finance costs in Q3FY2021, which has no material difference as the finance costs of HK\$1.9 million incurred in PQ3FY2020. It mainly represents the interest incurred for the Group's third-party loan and NFC's bank loan in the PRC.

Income tax expense

The Group recorded HK\$203,000 income tax refund in Q3FY2021.

Net profits/(loss) attributable to shareholders

Overall, the Group recorded a net profit attributable to shareholders of approximately HK\$19.2 million in Q3FY2021 as compared to a net loss of approximately HK\$1.1 million in PQ3FY2020 largely due to the contribution of the fruit-trading business and improved performance of NFC with the gradual recovery post-COVID.

Balance sheet

Non-current assets

Property, plant and equipment

The Group recorded HK\$46.8 million for property, plant and equipment as at 30 June 2021 compared to HK\$46.6 million as at 30 September 2020. Majority of that is the internet related hardware and software.

Current assets

Inventories

The Group recorded HK\$14.8 million inventories as at 30 June 2021. This mainly represents the finished goods, works in progress and raw materials held by NFC. It increased by HK\$6.8 million as compared to HK\$8.0 million as at 30 September 2020 mainly due to the increase business activity of NFC.

Trade receivables

The Group recorded HK\$36.6 million trade receivables as at 30 June 2021. Compared to HK\$7.4 million in trade receivables as at 30 September 2020, the HK\$29.2 million increase includes HK\$22.0 million increase from GAH for the Group's fruit business and HK\$6.4 million increase from the main customers of NFC in tandem with the significant increase in revenue from the two businesses.

Prepayments, deposits and other receivables

The Group recorded HK\$122.4 million prepayments, deposits and other receivables as at 30 June 2021. It mainly comprises HK\$59.2 million the advances Xiaoxin Wang in connection with the previous proposed acquisition of First Linkage Inc, HK\$13.9 million prepayment for fruit business as deposits to secure offtake for the harvests and HK\$43.1 million the advances to suppliers, third parties and a related party. In this quarter, Mr. Xiaoxin Wang refunded HK\$0.9 million to the Group in Q3FY2021.

Current liabilities

Trade and other payables

Trade and other payables amounted to HK\$62.6 million as at 30 June 2021, which is a increase of HK\$25.8 million from HK\$36.8 million as at 30 September 2020. The increase mainly represented 1) HK\$21.7 million deposits for the proposed share placement announced on 6 June 2021 which is subject to SGX approval of the listing and quotation of the new shares, and 2) HK\$6.0 million advances from a third party by NFC.

Short term loans

The Group recorded HK\$47.3 million short term loans. It included a bank loan of an aggregate sum of HK\$15.7 million as at 30 June 2021 which is secured by NFC's land use right and properties; and HK\$31.6 million current portion of third-party loans of the Group.

Non-current liabilities

Long term loans

The Group recorded HK\$95.3 million in long term payables as at 30 June 2021. It represents the Company's receipt of a third-party loan from investors with an annual interest rate of 3.5% and 7.4% for one year to two years.

Cash Flow Statement

The Group recorded a net cash outflow of HK\$18.2 million from operating activities in Q3FY2021 as compared to a net cash inflow of HK\$8.3 million in PQ3FY2020. The decrease is mainly due to HK\$22.0 increase of trade receivables and HK\$13.9 million prepayment for fruit business.

The Group recorded HK\$7.9 million of cash inflow from investing activities in Q3FY2021 mainly due to HK\$6.0 million advances received from a third party and HK\$0.9 million refund from the vendor for the proposed acquisition of First Linkage Inc.

The Group recorded HK\$21.7 million cash inflow from financing activities in Q3FY2021 for the deposits received from a proposed share placement which is subject to SGX approval of the listing and quotation of the new shares.

As at 30 June 2021, the Group maintained a cash balance of approximately HK\$16.7 million.

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

Not applicable.

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

The Group's health supplements business under NFC continues to face challenging conditions with the marketing activities of NFC being seriously impacted by the continuing COVID-19 virus outbreak although, with the reopening of China's economy, NFC has seen its sales improve and increase by 79.81% in Q3FY2021 compared to the corresponding period ended 30 June 2020.

In Q3FY2021, NFC continued to import products of mixed drinks of Lutein ester and blueberry and crispy oatmeal. Considering the situation of the COVID-19 pandemic in North America, NFC will continue to monitor the situation and will make a decision regarding its imported products from North America in due course. NFC increased its marketing expenses and research & development costs in order to maintain the support of products. In addition, supported by its major customers and a related party, its revenue increased significantly in this quarter.

Meanwhile, the fruit trading business has grown significantly during the period partly due to the internal efforts of the team but also due to the peak durian season from March to June 2021 for the eastern Thailand provinces. The next seasonality is from July to September 2021 for the southern Thailand provinces. The Group has also

set up Thailand office and intends to build up its capabilities there as well as to secure more customers in China. The Group has also entered into arrangements with other international fruit suppliers to bring fruits and fruit products into Singapore.

However, in the recent weeks, both Thailand and China have been hit by the COVID delta virus. In the event that the pandemic spreads to the plantations or the supply chain, this may affect our supplies and deliveries and similarly, in the event of lock-downs in China, it may affect our export demand. Barring a worsening of the COVID situation, the Group expects the fruit trading business to contribute positively for the remaining financial period.

5. Dividend Information

a) Current Financial Period Reported on Any dividend declared for the current financial period reported on?

No.

b) Corresponding Period of the Immediate Preceding Financial Year Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

c) Date payable

N.A

d) Books closure date

N.A

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

No dividend has been declared or recommended during the period under review. As at Q3FY2021, the Group recorded accumulated losses of HK\$365,369,000. Therefore, the Group is focusing on enhancing the Group's profitability and would consider the declaration of a dividend when the Group achieves enough profits.

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

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

8. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results):

To the best of the knowledge of the Directors, nothing has come to the attention of the Board which may render these interim financial results to be false or misleading in any material aspect.

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

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

By Order of the Board

Cheng Meng
Executive Director and Chief Executive Officer
14 August 2021