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## **EGGRICULTURE FOODS LTD.**

**永續農業發展有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8609)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2022**

The board (the “**Board**”) of directors (“**Directors**”) of Eggriculture Foods Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company together with its subsidiaries for the three months ended 30 June 2022. This announcement, containing the full text of the 2022 first quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange in relation to information to accompany preliminary announcements of quarterly results.

By order of the Board  
**Eggriculture Foods Ltd.**  
**Ma Chin Chew**

*Chairman, Executive Director and Chief Executive Officer*

Singapore, 5 August 2022

*As at the date of this announcement, the executive Directors are Mr. Ma Chin Chew (Chairman and Chief Executive Officer), Ms. Lim Siok Eng and Mr. Tang Hong Lai; and the independent non-executive Directors are Mr. Sneddon Donald William, Mr. Yuen Ka Lok Ernest and Mr. Tan Jia Kien.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at [www.eggriculturefoods.com](http://www.eggriculturefoods.com).*

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (the “Directors”) of Eggriculture Foods Ltd. (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

# Unaudited First Quarterly Results

The Board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 June 2022 together with the relevant comparative figures as follows:

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2022

		Three months ended 30 June					
		2022			2021		
		Results before biological assets and agricultural produce fair value adjustments	Biological assets and agricultural produce fair value adjustments	Total	Results before biological assets and agricultural produce fair value adjustments	Biological assets and agricultural produce fair value adjustments	Total
Note		S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)
Revenue	3	22,109	-	22,109	14,903	-	14,903
Cost of sales	7	(17,787)	(3,215)	(21,002)	(11,971)	(2,481)	(14,452)
		<b>4,322</b>	<b>(3,215)</b>	<b>1,107</b>	2,932	(2,481)	451
Gross profit							
Other income	4	116	-	116	214	-	214
Other gains – net							
– Impairment loss on financial assets		-	-	-	(3)	-	(3)
– Others	5	73	-	73	23	-	23
Gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest		-	3,378	3,378	-	2,572	2,572
Gain arising from changes in fair value of biological assets less estimated costs to sell		-	3,796	3,796	-	261	261
Selling and distribution expenses	7	(1,740)	-	(1,740)	(1,528)	-	(1,528)



Condensed Consolidated Statement of Comprehensive Income  
For the three months ended 30 June 2022

		Three months ended 30 June						
		2022			2021			
		Results before biological assets and agricultural produce fair value adjustments	Biological assets and agricultural produce fair value adjustments	Total	Results before biological assets and agricultural produce fair value adjustments	Biological assets and agricultural produce fair value adjustments	Total	
Note		S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	S\$'000 (unaudited)	
	Administrative expenses	7	(1,318)	-	(1,318)	(1,282)	-	(1,282)
	Finance costs	6	(135)	-	(135)	(94)	-	(94)
	Profit before tax		1,318	3,959	5,277	262	352	614
	Income tax expense	8	(772)	-	(772)	(43)	-	(43)
	Profit after tax and total comprehensive income for the period		546	3,959	4,505	219	352	571
	Attributable to:							
	Owners of the Company				4,503			571
	Non-controlling interests				2			-
					4,505			571
	Earnings per share							
	Basic and diluted (S\$ - in cents)	9			0.90			0.11



# Condensed Consolidated Statement of Changes in Equity

For the three months ended 30 June 2022

	Attributable to owners of the Company						Non-controlling interests	Total
	Share capital	Share premium	Other reserve	Retained earnings	Sub-total equity			
	S\$'000	S\$'000	(Note) S\$'000	S\$'000	S\$'000	S\$'000		
<b>At 1 April 2021 (audited)</b>	890	8,544	9,767	15,042	34,243	-	34,243	
Profit and total comprehensive income for the period	-	-	-	571	571	-	571	
<b>At 30 June 2021 (unaudited)</b>	890	8,544	9,767	15,613	34,814	-	34,814	
<b>At 1 April 2022 (audited)</b>	<b>890</b>	<b>8,544</b>	<b>9,767</b>	<b>18,575</b>	<b>37,776</b>	<b>-</b>	<b>37,776</b>	
Capital injection from non-controlling interests	-	-	-	-	-	208	208	
Profit and total comprehensive income for the period	-	-	-	4,503	4,503	2	4,505	
<b>At 30 June 2022 (unaudited)</b>	<b>890</b>	<b>8,544</b>	<b>9,767</b>	<b>23,078</b>	<b>42,279</b>	<b>210</b>	<b>42,489</b>	

Note:

Other reserve represents the difference between consideration paid and share capital of entities under common control acquired.



# Notes to the Condensed Consolidated Financial Statements

For the three months ended 30 June 2022

## 1. GENERAL INFORMATION

Eggriculture Foods Ltd. (the “Company”) was incorporated in the Cayman Islands on 12 February 2018 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman 1-1111, Cayman Islands and principal place of business in Hong Kong is Unit 1104, 11/F., Keybond Commercial Building, 38 Ferry Street, Jordan, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the production and sale of fresh eggs and processed egg products in Singapore. The immediate and ultimate holding company of the Company is Radiant Grand International Limited (“Radiant Grand”), a company which was incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Ma Chin Chew (“Mr. Ma”).

## 2. BASIS OF PRESENTATION AND PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which comprise all standards and interpretations) issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements are presented in Singapore dollar (“S\$”) and all values are rounded to the nearest thousand (“S\$’000”) except when otherwise indicated. The comparative financial information has been prepared under the historical cost convention, as modified by the revaluation of biological assets and agricultural produce. The investments in insurance contracts are subsequently stated at the cash surrender value. The condensed consolidated financial statements for the three months ended 30 June 2022 have not been audited by the Company’s independent auditor, but have been reviewed by the audit committee of the Board (the “Audit Committee”).

The preparation of unaudited condensed consolidated results in conformity with IFRSs requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

## 2. BASIS OF PRESENTATION AND PREPARATION *(Continued)*

The basis of preparation and accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2022, except for those that relate to new standards or interpretations effective for the first time for the annual period beginning on or after 1 April 2022.

The Group has applied the following new and amendments to IFRSs for the first time in the current accounting period:

IFRS 3	Amendments to IFRS 3: Reference to the Conceptual Framework
IAS 16	Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use
IAS 37	Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

The adoption of the above standards did not have any significant effects on the unaudited condensed consolidated financial statements of the Group.

## 3. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker ("CODM") has been identified as the chief executive of the Company. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segment based on these reports.

The CODM considers that the Group has two operating and reporting segments which are fresh eggs and processed eggs. CODM assesses the performance of these single segments based on revenue, segment results and income/expenses arriving the segment results. Segment result represents the profit earned by each segment without allocation of finance costs, unallocated other income and unallocated corporate expenses are mainly including general administration expense.

Information relating to segment assets and segment liabilities is not disclosed as such information is not regularly reported to the CODM.

### 3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information about these reportable and operating segments is presented below:

#### Three months ended 30 June 2022 (unaudited):

	Fresh eggs S\$'000	Processed eggs S\$'000	Total S\$'000
Segment revenue	15,971	6,138	22,109
Other income	14	-	14
Gain arising from initial recognition of agricultural produce at fair values less estimated costs to sell at point of harvest – unrealised	307	-	307
Gain arising from changes in fair value of biological asset less estimated costs to sell	1,253	2,543	3,796
Purchases of inventories	(12,331)	(3,612)	(15,943)
Changes in inventories	473	(117)	356
Depreciation of property, plant and equipment	(446)	(287)	(733)
Employee benefits	(1,073)	(805)	(1,878)
Utilities	(135)	(201)	(336)
Repairs and maintenance of motor vehicles and transportation	(346)	(285)	(631)
Royalty expense	-	(18)	(18)
Chicken shed – medication and vaccination	(22)	(45)	(67)
Other expenses	(178)	(358)	(536)
Segment results	3,487	2,953	6,440
Unallocated finance cost			(135)
Unallocated other income			176
Unallocated corporate expenses			(1,204)
Profit before tax			5,277

### 3. REVENUE AND SEGMENT INFORMATION *(Continued)*

#### Three months ended 30 June 2021 (unaudited):

	Fresh eggs S\$'000	Processed eggs S\$'000	Total S\$'000
Segment revenue	10,761	4,142	14,903
Other income	90	-	90
Gain arising from initial recognition of agricultural produce at fair values less estimated costs to sell at point of harvest – unrealised	202	-	202
Gain arising from changes in fair value of biological asset less estimated costs to sell	112	149	261
Purchases of inventories	(7,596)	(2,051)	(9,647)
Changes in inventories	(365)	(98)	(463)
Impairment loss for trade receivables, net	(2)	(1)	(3)
Depreciation of property, plant and equipment	(480)	(182)	(662)
Employee benefits	(1,114)	(563)	(1,677)
Utilities	(114)	(127)	(241)
Repairs and maintenance of motor vehicles and transportation	(205)	(101)	(306)
Royalty expense	-	(12)	(12)
Chicken shed – medication and vaccination	(32)	(42)	(74)
Other expenses	(301)	(292)	(593)
Segment results	956	822	1,778
Unallocated finance cost			(94)
Unallocated other income			147
Unallocated corporate expenses			(1,217)
Profit before tax			614

#### 4. OTHER INCOME

	Three months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Government grants	17	85
Income from sale of animal feeds	6	90
Interest income	6	1
Others	87	38
	<b>116</b>	214

#### 5. OTHER GAINS – NET

	Three months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
(Loss)/gain on disposal of property, plant and equipment	(5)	6
Gain on investments in insurance contracts	18	11
Net currency exchange gains	60	6
	<b>73</b>	23

## 6. FINANCE COSTS

	Three months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Interest expense		
– Bank borrowings	130	78
– Lease liabilities	9	15
– Others	2	12
	<b>141</b>	105
Less: Amount capitalised in property, plant and equipment	<b>(6)</b>	(11)
Amount recognised in profit or loss	<b>135</b>	94

## 7. EXPENSES BY NATURE

	Three months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Auditor's remuneration	42	60
Purchases of inventories	15,943	9,647
Changes in inventories	(356)	463
Depreciation of property, plant and equipment	795	741
Amortisation of intangible assets	62	47
Employee benefits	2,690	2,392
Utilities	336	241
Repairs and maintenance of motor vehicles and transportation	633	369
Chicken shed – medication and vaccination	67	74
Royalty expense	18	12
Agricultural produce recorded in cost of sales	3,215	2,481
Other expenses	615	735
	<b>24,060</b>	17,262

## 8. INCOME TAX EXPENSE

The Company is incorporated in the Cayman Islands as an exempted company with limited liabilities under the Company Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

Tax arising from Singapore has been provided at the rate of 17% on the estimated assessable profits during the reporting periods. The applicable Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax is provided in the condensed consolidated financial statements as the Group did not have assessable profit in Hong Kong during the reporting periods.

	Three months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Singapore current tax	726	39
Deferred income tax expense	46	4
Tax expense for the period	772	43



## 9. EARNINGS PER SHARE

	Three months ended 30 June	
	2022 (unaudited)	2021 (unaudited)
Profit attributable to equity holders of the Company (S\$'000)	<b>4,505</b>	571
Weighted average number of ordinary shares in issue (thousands)	<b>500,000</b>	500,000
Basic and diluted earnings per share (S\$ – in cents)	<b>0.90</b>	0.11

The diluted earnings per share is the same as the basic earnings per share as the Group does not have potentially dilutive ordinary shares in issue during the periods ended 30 June 2022 and 2021.

## 10. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2022 (three months ended 30 June 2021: Nil).

## 11. COMMITMENTS

### Capital Commitments

As at the reporting date, capital commitments in respect of the expansion of the current farm and quail eggs farming of the Group which had been contracted for but not provided in the unaudited condensed consolidated financial statements is as follows:

	As at 30 June 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
	Property, plant and equipment	<b>9,505</b>

# Management Discussion and Analysis

## BUSINESS REVIEW AND OUTLOOK

The Group continues to focus on its core business of egg production and distribution in Singapore. The Group operates its own egg laying farm in Singapore and sources fresh chicken eggs from third party suppliers. There have been no changes to its business model.

The Group's revenue has increased by approximately 48% from approximately S\$14.9 million for the three months ended 30 June 2021 to approximately S\$22.1 million for the three months ended 30 June 2022. The additional revenue arose from an enlargement in the customer base.

For the three months ended 30 June 2022, the Group's net profit increased by approximately S\$4.7 million from approximately S\$0.6 million for the three months ended 30 June 2021 to approximately S\$5.3 million for the three months ended 30 June 2022. Such increase was due to increase of our flock size as at 30 June 2022 as comparing to 30 June 2021 as a result of completion of one Pullet house and one layer house as at 31 March 2022.

The planned expansion of its chicken eggs laying facilities at the current farm and processing facilities continued as planned. The remaining two layer houses will be operational by the end of 2022. The construction of quail egg farm continued during the financial period, and it will be operational in 2023.

With the planned expansions, the Group is expected to consolidate its market presence as a leading eggs distributor in Singapore.

Our operating costs and capital expenditure are likely to be affected by inflationary pressure caused by prevailing uncertainties in the world economies and the conflict in Europe. Our profitability will continue to be affected by our continuing efforts and ability to translate these costs increases into our selling prices.



## FINANCIAL REVIEW

### Revenue

#### (i) Fresh eggs

For the three months ended 30 June 2022 and 2021, approximately 72% of the revenue was derived from the sales of fresh eggs. Revenue increased by approximately S\$5.2 million from approximately S\$10.8 million for the three months ended 30 June 2021 to approximately S\$16.0 million for the three months ended 30 June 2022, primarily driven by an expansion of our customer base.

#### (ii) Processed eggs

For the three months ended 30 June 2022 and 2021, approximately 28% of the revenue was derived from the sales of processed eggs. Revenue increased by approximately S\$2.0 million from approximately S\$4.1 million for the three months ended 30 June 2021 to approximately S\$6.1 million for the three months ended 30 June 2022. Such increase was primarily due to the increase in sales of the processed egg products to Food & Beverages customers due to the COVID-19 recovery in Singapore.

### Cost of Sales

The Group's total cost of sales increased by approximately S\$6.5 million, or approximately 45% from approximately S\$14.5 million for the three months ended 30 June 2021 to approximately S\$21.0 million for the three months ended 30 June 2022 primarily due to the increase in the cost of sourced eggs as a result of increase in the customer base.

### Gross Profit and Gross Profit Margin

The gross profit before agricultural produce fair value adjustments increased by approximately S\$1.4 million or from approximately S\$2.9 million for the three months ended 30 June 2021 to approximately S\$4.3 million for the three months ended 30 June 2022. The gross profit after agricultural produce fair value adjustments increased by approximately S\$0.6 million or from approximately S\$0.5 million for the three months ended 30 June 2021 to approximately S\$1.1 million for the three months ended 30 June 2022. Separately, the gross profit margin after agricultural produce fair value adjustments increased to approximately 5% for the three months ended 30 June 2022 from approximately 3% for the three months ended 30 June 2021. The gross profit margin before agricultural produce fair value adjustments remained stable at approximately 20% for the three months ended 30 June 2022 and 2021.

## **FINANCIAL REVIEW** *(Continued)*

### **Other gains – net – others**

The other gains – net – others have increased, from approximately S\$23,000 for the three months ended 30 June 2021 to approximately S\$73,000 for the three months ended 30 June 2022 primarily due to net currency exchange gains during the three months ended 30 June 2022.

### **Gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest**

The gain arising from initial recognition of agricultural produce at fair value less estimated cost to sell at point of harvest increased by approximately S\$0.8 million, or approximately 31% from approximately S\$2.6 million for the three months ended 30 June 2021 to approximately S\$3.4 million for the three months ended 30 June 2022 primarily due to the increase in number of eggs harvested during the three months ended 30 June 2022.

### **Gain arising from changes in fair value of biological assets less estimated costs to sell**

The gain arising from changes in fair value of biological assets less estimated costs to sell increased by approximately S\$3.5 million from approximately S\$0.3 million for the three months ended 30 June 2021 to approximately S\$3.8 million for the three months ended 30 June 2022 primarily due to a higher number of growers as at 30 June 2022 as compared to the immediate preceding quarter ended 31 March 2022.

### **Selling and distribution expenses**

Selling and distribution expenses increased by approximately S\$0.3 million or approximately 20% from approximately S\$1.5 million for the three months ended 30 June 2021 to approximately S\$1.8 million for the three months ended 30 June 2022 primarily due to the increase in repairs and maintenance of motor vehicles costs to cater for the increase in sales.

### **Administrative expenses**

Administrative expenses remained stable at approximately S\$1.3 million for the three months ended 30 June 2022 and 2021.



# Corporate Governance and Other Information

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value. To accomplish this, the Company has adopted the principles and the code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix 15 of the GEM Listing Rules. In particular, the Company regards a pre-eminent board of directors, sound internal controls and accountability to all shareholders as the core elements of its corporate governance principles. The Board will review at least annually the corporate governance practices of the Company to ensure its continuous compliance with the CG Code, and make appropriate changes if considered necessary.

Save for the deviation from code provision C.2.1 of the CG Code as mentioned below, the Company, to the best knowledge of the Board, has complied with all applicable code provisions to the date of this report.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Ma currently holds both positions. Mr. Ma, a founder and an executive director, has served as the Group’s chief executive officer since 2009 and was appointed the chairman of the Board in September 2018. Mr. Ma has been providing leadership to the Board and is responsible for overseeing the daily operations of the Group. The Board believes that it is in the best interest of the Group to continue to have Mr. Ma acting as the chairman of the Board and chief executive officer of the Company for effective and efficient strategic planning and execution of plans for the Group. The Company has put in place a sound check-and-balance mechanism through the Board and the independent non-executive Directors. In light of the above, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in the circumstances of the Company.

## COMPETING BUSINESS AND CONFLICT OF INTERESTS

As at the date of report, none of the Directors, substantial shareholders of the Company and any of their respective associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly, or indirectly, with the business of the Group or has any other conflict of interests with the Group.



## **DEED OF NON-COMPETITION**

Radiant Grand (the controlling shareholder of the Company) and Mr. Ma Chin Chew (the sole director and shareholder of Radiant Grand and chairman of the Board) have entered into the deed of non-competition (the “Non-Compete Undertakings”) in favour of the Group dated 15 August 2018.

Pursuant to these Non-Compete Undertakings, the controlling shareholders of the Company have unconditionally and irrevocably undertaken to the Company (for itself/himself and for the benefits of members of our Group) that it/he would not, and would procure that its/his close associates (other than any members of our Group) would not, directly or indirectly, either on its/his own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee, or otherwise, and whether for profit, reward or otherwise) any activity or business which is or may be in competition, directly or indirectly, with the business carried on or contemplated to be carried on by any member of our Group from time to time.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities during the three months ended 30 June 2022.



## SHARE OPTION SCHEME

The Company has adopted the share option scheme (the “Scheme”) pursuant to a resolution of the shareholders of the Company passed on 15 August 2018. The purpose of the Scheme is to advance the interests of the Company and the Shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons’ contribution to further advance the interests of the Group. The terms of the Scheme are in compliance with the provisions of Chapter 23 of the GEM Listing Rules.

No share options have been granted or agreed to be granted under the Scheme.

## DIRECTORS’ AND CHIEF EXECUTIVE’S INTEREST AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND/OR ITS ASSOCIATED CORPORATION

As at 30 June 2022, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the “SFO”) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provision of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.45 to 5.67 of the GEM Listing Rules, were as follows:

### Long positions in shares of the Company

Name of the Directors	Capacity/Nature of Interest	Number of Shares Held <sup>(1)</sup>	Approximate Percentage
Mr. Ma Chin Chew <sup>(2)</sup>	Interest of controlled corporation	294,800,000 (L)	58.96%
Ms. Lim Siok Eng <sup>(2)</sup>	Interest of spouse	294,800,000 (L)	58.96%

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND/OR ITS ASSOCIATED CORPORATION** *(Continued)*

### **Long positions in shares of the Company** *(Continued)*

Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the shares of the Company.
- (2) Radiant Grand is held as to 100% by Mr. Ma. Therefore, Mr. Ma is deemed to be interested in the shares of the Company which Radiant Grand is interested in by virtue of the SFO. Ms. Lim Siok Eng is the spouse of Mr. Ma. Under the SFO, Ms. Lim Siok Eng is deemed to be interested in the shares of the Company held by Mr. Ma through Radiant Grand.

Save as disclosed above, as at the date of this report, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.



## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, so far as is known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

### Long positions in shares of the Company

Name	Capacity/Nature of Interest	Number of Shares Held <sup>(1)</sup>	Approximate Percentage
Radiant Grand <sup>(2)</sup>	Beneficial owner	294,800,000 (L)	58.96%
Elite Ocean Ventures Limited <sup>(3)</sup>	Beneficial owner	80,200,000 (L)	16.04%
Mr. Lim Joo Boon <sup>(3)</sup>	Interest of controlled corporation	80,200,000 (L)	16.04%
Ms. Tan Bee Hong <sup>(4)</sup>	Interest of spouse	80,200,000 (L)	16.04%

*Notes:*

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the shares of the Company.
- (2) Radiant Grand is held as to 100% by Mr. Ma. Therefore, Mr. Ma is deemed to be interested in the shares of the Company which Radiant Grand is interested in by virtue of the SFO.
- (3) Elite Ocean Ventures Limited is held as to 100% by Mr. Lim Joo Boon. Therefore, Mr. Lim is deemed to be interested in the shares of the Company which Elite Ocean Ventures Limited is interested in by virtue of the SFO.
- (4) Ms. Tan Bee Hong is the spouse of Mr. Lim Joo Boon. Under the SFO, Ms. Tan Bee Hong is deemed to be interested in the shares of the Company held by Mr. Lim Joo Boon through Elite Ocean Ventures Limited.

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY** *(Continued)*

### **Long positions in shares of the Company** *(Continued)*

Save as disclosed above, as at the date of this report, the Company has not been notified of any other interests or short positions in the shares or underlying shares of the Company which were acquired to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register to be kept by the Company under section 336 of the SFO.

## **AUDIT COMMITTEE**

The Company established the Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing rules and code provision D.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Sneddon Donald William, Mr. Yuen Ka Lok Ernest and Mr. Tan Jia Kien. Mr. Sneddon Donald William is the chairman of the Audit Committee. The primary duties of the Audit Committee are to assist the Board in providing an oversight of the financial reporting and disclosure processes, internal control and risk management systems of the Company, and to oversee the audit process.

The Audit Committee has discussed and reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2022, and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board  
**Eggriculture Foods Ltd.**  
**Mr. Ma Chin Chew**  
*Chairman and Chief Executive Officer*

Singapore, 5 August 2022

*As at the date of this report, the executive Directors are Mr. Ma Chin Chew, Ms. Lim Siok Eng and Mr. Tang Hong Lai; and the independent non-executive Directors are Mr. Sneddon Donald William, Mr. Yuen Ka Lok Ernest and Mr. Tan Jia Kien.*

