

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH AND TWELVE-MONTH ENDED 30 JUNE 2024

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

Consolidated statement of comprehensive income for the six-month ("6M2024") and twelve-month ("FY2024") period / year ended 30-June-2024

		Group					
	Note	6 Months Ended			12 Months Ended		
		30-06-2024	30-06-2023	<u>Change</u> <u>+ / (-)</u>	30-06-2024	30-06-2023	<u>Change</u> <u>+ / (-)</u>
		Unaudited RMB'000	Unaudited RMB'000	%	Unaudited RMB'000	Audited (Restated) RMB'000	%
Revenue	6	494,610	479,069	3.2	983,737	967,565	1.7
Cost of sales		(375,910)	(370,461)	1.5	(751,906)	(751,518)	0.1
Gross profit		<u>118,700</u>	<u>108,608</u>	<u>9.3</u>	<u>231,831</u>	<u>216,047</u>	<u>7.3</u>
Other income*		48,044	59,958	(19.9)	91,310	106,835	(14.5)
Interest income		2,264	3,411	(33.6)	4,393	7,063	(37.8)
Selling and distribution expenses		(94,141)	(91,891)	2.4	(197,630)	(198,210)	(0.3)
Administrative expenses		(55,224)	(53,592)	3.0	(110,321)	(107,464)	2.7
Finance costs		(10,318)	(9,879)	4.4	(20,037)	(22,391)	(10.5)
(Loss) / profit before tax and share of results of joint ventures and associates		<u>9,325</u>	<u>16,615</u>	<u>(43.9)</u>	<u>(454)</u>	<u>1,880</u>	<u>N.M.</u>
Share of results of joint ventures and associates							
Share of results of joint ventures		2	4	(50.0)	3	(1,175)	N.M.
Share of results of associates		13,363	10,223	30.7	24,374	17,476	39.5
Profit before taxation		<u>22,690</u>	<u>26,842</u>	<u>(15.5)</u>	<u>23,923</u>	<u>18,181</u>	<u>31.6</u>
Income tax (expense) / credit		(515)	3,196	N.M.	(119)	3,068	N.M.
Profit after taxation	7	<u>22,175</u>	<u>30,038</u>	<u>(26.2)</u>	<u>23,804</u>	<u>21,249</u>	<u>12.0</u>
Other comprehensive income :							
Items that may be reclassified subsequently to profit or loss							
Currency translation loss		-	(1,698)	(100.0)	(18)	(2,878)	(99.4)
Other comprehensive loss, net of tax*		-	(1,698)	(100.0)	(18)	(2,878)	(99.4)
Total comprehensive income for the period / year attributable to the owners of the Company		<u>22,175</u>	<u>28,340</u>	<u>(21.8)</u>	<u>23,786</u>	<u>18,371</u>	<u>29.5</u>

N.M. - Not meaningful

*In the previous financial year, the gain on disposal of joint ventures had been wrongly presented under other comprehensive income instead of other income. Adjustments had been made to restate the prior year figures.

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

	Note	Group		Company	
		30-06-2024	30-06-2023	30-06-2024	30-06-2023
		Unaudited RMB'000	Audited RMB'000	Unaudited RMB'000	Audited RMB'000
Non-current assets					
Property, plant and equipment	9	114,896	126,327	47	34
Right-of-use assets	10	350,368	259,752	133	257
Intangible assets		3,810	3,810	-	-
Investment in subsidiaries		-	-	58,988	58,988
Investment in joint ventures		1,484	1,481	-	-
Investment in associates		80,784	77,220	-	-
Other receivables		9,823	10,822	-	77
Deferred tax assets		15,498	11,113	-	1
Other assets		-	45	-	-
		<u>576,663</u>	<u>490,570</u>	<u>59,168</u>	<u>59,357</u>
Current assets					
Inventories		194,604	161,549	-	-
Trade and other receivables		30,938	24,903	279	-
Prepayments		7,113	8,307	62	55
Amount due from a subsidiary		-	-	28,148	27,322
Amount due from related parties		3,184	4,469	-	-
Amount due from joint ventures		216,523	207,523	-	-
Amount due from associates		51,900	38,400	-	-
Cash and bank balances		91,878	152,237	13,410	6,509
Fixed deposits		-	40,000	-	-
Restricted cash		100,100	40,100	-	-
		<u>696,240</u>	<u>677,488</u>	<u>41,899</u>	<u>33,886</u>
Less: Current liabilities					
Loans and borrowings	12	175,123	131,061	6,935	6,761
Trade and other payables		425,604	434,404	2,308	383
Lease liabilities	10	58,511	64,799	133	267
Other liabilities		32,305	28,054	2,856	3,002
Amount due to related parties		4,554	22,846	-	-
Income tax payable		2,762	6,421	-	-
		<u>698,859</u>	<u>687,585</u>	<u>12,232</u>	<u>10,413</u>
Net current liabilities		<u>(2,619)</u>	<u>(10,097)</u>	<u>29,667</u>	<u>23,473</u>
Non-current Liabilities					
Loans and borrowings	12	42,635	49,084	42,635	49,084
Lease liabilities	10	318,991	233,724	-	-
Other liabilities		508	508	-	-
Deferred tax liabilities		19,441	17,908	10,006	12,975
		<u>381,575</u>	<u>301,224</u>	<u>52,641</u>	<u>62,059</u>
Net assets		<u>192,469</u>	<u>179,249</u>	<u>36,194</u>	<u>20,771</u>
Equity attributable to the holders of the Company					
Share capital	11	67,148	67,148	67,148	67,148
Treasury shares		(25,395)	(25,093)	(25,395)	(25,093)
Statutory common reserve		40,984	40,984	-	-
Currency translation reserve		(4,002)	(3,984)	(4,002)	(3,997)
Revenue reserve		113,734	100,194	(1,557)	(17,287)
Total equity		<u>192,469</u>	<u>179,249</u>	<u>36,194</u>	<u>20,771</u>

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

	Group	
	<u>12 Months Ended</u>	
	30-06-2024	30-06-2023
	Unaudited	Audited
	RMB'000	(Restated)
		RMB'000
Cash flow from operating activities		
Profit before taxation*	23,923	18,181
Adjustments for:		
Amortisation of step rental income	45	2,865
Depreciation of property, plant and equipment	14,595	13,584
Depreciation of right-of-use assets	55,125	61,941
Gain on discounts of bond	-	(1,270)
Unwinding on discounts of bond	468	-
Write-back of impairment loss on property, plant and equipment	(22)	(202)
Impairment loss on right-of-use assets	-	4,032
Inventories written off	47	135
Property, plant and equipment written off	760	10,524
Net loss / (gain) on disposal of property, plant and equipment	2,694	(2)
Net gain on derecognition of right-of-use assets	(7,951)	(10,531)
Net gain on disposal of joint ventures*	-	(589)
Reversal of provision for termination of leases	-	(10,371)
Interest income	(4,396)	(7,063)
Finance costs	20,037	22,391
Share of results of joint ventures	(3)	1,175
Share of results of associates	(24374)	(17,476)
Unrealised exchange difference	-	2,843
Operating cash flows before changes in working capital	80,948	90,167
(Increase) / decrease in inventories	(33,102)	8,200
Decrease in prepayments	1,817	11,463
(Increase) / decrease in trade and other receivables	(5,353)	8,779
Decrease in trade and other payables	(9,131)	(31,352)
Cash flows generated from operation	35,179	87,257
Interest received	4,707	7,916
Tax paid	(6,636)	(6,002)
Net cash flows generated from operating activities	33,250	89,171
Cash flows from investing activities		
Dividend received	16,059	16,952
Purchase of property, plant and equipment	(6,637)	(1,671)
Proceeds from disposal of property, plant and equipment	40	1,374
Distributions received from investment in associate**	4,750	-
Proceeds from disposal of joint ventures	-	200
Repayment of advances from related parties	1,088	3,742
Advances to joint ventures	(9,000)	(14,512)
Advances to associates	(13,500)	(22,500)
Withdrawals of fixed deposits	40,300	-
Net cash flows generated from / (used in) investing activities	33,100	(16,415)

Cash flows from financing activities		
Dividend paid	(10,264)	-
Purchase of treasury shares	(302)	-
Proceeds from loans and borrowings	177,688	124,300
Proceeds from issuance of bond	-	42,494
Interest on loans and borrowings	(5,347)	(6,655)
Interest on lease liabilities	(9,926)	(12,113)
Redemption of bond	-	(42,494)
Repayment of loans and borrowings	(140,567)	(118,841)
Repayment of lease liabilities	(59,746)	(57,503)
Repayment of advances to related parties	(17,962)	(387)
Restricted cash and bank deposits pledged	(60,000)	(100)
Net cash flows used in financing activities	(126,426)	(71,299)
Net (decrease) / increase in cash and cash equivalents	(60,076)	1,457
Effect of exchange rate changes on cash and cash equivalents	(283)	1,010
Cash and cash equivalents at beginning of financial year	152,237	149,770
Cash and cash equivalents at end of financial year	91,878	152,237

For the purpose of the consolidated statement of cash flows, the cash and cash equivalents comprise of the following:

Cash on hand	17,758	4,053
Bank balances	74,120	148,184
Cash and bank balances	91,878	152,237
Fixed deposits	-	40,000
	91,878	192,237

*In the previous financial year, the gain on disposal of joint ventures had been wrongly presented under other comprehensive income instead of other income. Adjustments had been made to restate the prior year figures.

** The distribution exercise had not been completed as of year end, it would expect to be completed by financial year ending 30 June 2025.

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

	Attributable to equity holders of the Company					Total equity
	Share capital	Treasury shares	Currency translation reserve	Revenue reserve	Statutory common reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Group						
Balance at 01 July 2023	67,148	(25,093)	(3,984)	100,194	40,984	179,249
Exchange difference arising from the translation of functional currency to presentation currency representing other comprehensive income for the year	-	-	(18)	-	-	(18)
Profit for the year	-	-	-	23,804	-	23,804
Transfer to statutory common reserve	-	-	-	-	-	-
Total comprehensive income for the year	-	-	(18)	23,804	-	23,786
Purchase of treasury shares	-	(302)	-	-	-	(302)
Dividends paid	-	-	-	(10,264)	-	(10,264)
Balance at 30 June 2024	67,148	(25,395)	(4,002)	113,734	40,984	192,469
Balance at 01 July 2022	67,148	(25,093)	(1,106)	82,038	37,891	160,878
Exchange difference arising from the translation of functional currency to presentation currency representing other comprehensive income for the year	-	-	(2,878)	-	-	(2,878)
Profit for the year	-	-	-	21,249	-	21,249
Transfer to statutory common reserve	-	-	-	(3,093)	3,093	-
Total comprehensive income for the year	-	-	(2,878)	18,156	3,093	18,371
Balance at 30 June 2023	67,148	(25,093)	(3,984)	100,194	40,984	179,249

	Attributable to equity holders of the Company					Total equity
	Share capital	Treasury shares	Currency translation reserve	Revenue reserve		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Company						
Balance at 01 July 2023	67,148	(25,093)	(3,997)	(17,287)		20,771
Exchange difference arising from the translation of functional currency to presentation currency representing other comprehensive income for the year	-	-	(5)	-		(5)
Profit for the year	-	-	-	25,994		25,994
Total comprehensive income for the year	-	-	(5)	25,994		25,989
Purchase of treasury shares	-	(302)	-	-		(302)
Dividends paid	-	-	-	(10,264)		(10,264)
Balance at 30 June 2024	67,148	(25,395)	(4,002)	(1,557)		36,194
Balance at 01 July 2022	67,148	(25,093)	(1,116)	39,285		80,224
Exchange difference arising from the translation of functional currency to presentation currency representing other comprehensive income for the year	-	-	(2,881)	-		(2,881)
Loss for the year	-	-	-	(56,572)		(56,572)
Total comprehensive loss for the year	-	-	(2,881)	(56,572)		(59,453)
Purchase of treasury shares	-	-	-	-		-
Dividends paid	-	-	-	-		-
Balance at 30 June 2023	67,148	(25,093)	(3,997)	(17,287)		20,771

Notes to the condensed interim financial statements

1 Corporate information

Zhongmin Baihui Retail Group Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office of the Company is located at 80 Marine Parade Road, #13-07 Parkway Parade, Singapore 449269.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are ownership, operation and management of a chain of department stores and retail stores.

2 Basis of preparation

The condensed financial statements of the Group 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 performance of the Group since the last annual financial statements for the period ended 30 June 2023.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period, except for the adoption of SFRS(I) that are mandatory for the financial year beginning on or after 1 July 2023. The adoption of these SFRS(I) did not have any material effect on the financial performance or position of the Group.

The financial statements are presented in Chinese Renminbi (RMB).

3 Use of estimates and judgements

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The 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 last annual financial statements for the period ended 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

4 Seasonal operations

The Group's operations are not affected significantly by seasonal or cyclical factors during the financial year.

5 Segment information

No segment reporting is reported as the business operations of the Group are solely in the retail industry in China.

6 Revenue

The Group's revenue represents the net amount received and receivables for goods sold by direct sales, commission from concessionaire sales, rental income and income from managed rental. An analysis of the Group's revenue for the financial year is as follows:

	Group					
	6 Months Ended			12 Months Ended		
	30-06-2024	30-06-2023	Change	30-06-2024	30-06-2023	Change
	Unaudited RMB'000	Unaudited RMB'000	+ / (-) %	Unaudited RMB'000	Audited RMB'000	+ / (-) %
Revenue						
Direct sales	432,128	418,145	3.3	859,553	846,939	1.5
Concessionaire sales	41,018	42,972	(4.5)	81,158	82,184	(1.2)
Rental income	16,521	13,453	22.8	33,340	29,603	12.6
Managed rental	4,943	4,499	9.9	9,686	8,839	9.6
	494,610	479,069	3.2	983,737	967,565	1.7
Gross revenue from concessionaires sales	221,907	220,369	0.7	445,405	466,566	(4.5)
Gross sales proceeds*	675,499	656,466	2.9	1,347,984	1,351,947	(0.3)

*Gross sales proceeds represent the aggregate sum of revenue received and receivable for goods sold by direct sales, gross revenue from concessionaire sales, rental income and income from managed rental.

7 Profit before taxation

Profit before tax is arrived at after (charging) / crediting the followings:-

	Group					
	6 Months Ended			12 Months Ended		
	30-06-2024	30-06-2023	Change	30-06-2024	30-06-2023	Change
	RMB'000	RMB'000	+ / (-) %	RMB'000	RMB'000	+ / (-) %
Cost of sales:						
Inventories written off	(57)	16	N.M.	(47)	(135)	(65.2)
Other income:						
Management fees	2,449	2,448	-	4,925	4,925	-
Advertisement and promotion fees	32,715	37,631	(13.1)	66,013	69,025	(4.4)
Leisure facilities income	583	484	20.5	1,103	934	18.1
Net (loss) / gain on disposal of property, plant and equipment	(298)	-	N.M.	(2,694)	2	N.M.
Net gain on derecognition of right-of-use assets	6,032	-	N.M.	7,951	10,531	(24.5)
Net gain on disposal of joint ventures	-	567	(100.0)	-	589	(100.0)
Selling and distribution expenses:						
Employee benefit expenses						
Defined contribution plans	(6,225)	704	N.M.	(12,000)	(5,547)	116.3
Salaries, wages, bonuses and other costs	(32,045)	(32,154)	(0.3)	(67,250)	(72,690)	(7.5)
Advertisement and promotion fees	(4,245)	(4,500)	(5.7)	(9,460)	(7,026)	34.6
Business and surcharges	(3,227)	(4,176)	(22.7)	(7,027)	(7,353)	(4.4)
Depreciation of right-of-use assets	(27,084)	(29,964)	(9.6)	(55,125)	(61,941)	(11.0)
Administrative expenses:						
Employee benefit expenses						
Defined contribution plans	(4,197)	2,013	N.M.	(7,913)	(1,661)	376.4
Salaries, wages, bonuses and other costs	(32,073)	(31,341)	2.3	(65,450)	(66,570)	(1.7)
Director fees	(379)	(397)	(4.5)	(756)	(752)	0.5
Amortisation of step rental income	(45)	(2,865)	(98.4)	(45)	(2,865)	(98.4)
Depreciation of property, plant and equipment	(7,429)	(8,206)	(9.5)	(14,595)	(13,584)	7.4
Write-back of impairment loss on property, plant and equipment	-	202	(100.0)	22	202	(89.1)
Impairment loss on right-of-use assets	-	(4,032)	(100.0)	-	(4,032)	(100.0)
Property, plant and equipment written off	(760)	(10,524)	(92.8)	(760)	(10,524)	(92.8)
Net (loss) / gain on disposal of property, plant and equipment	(297)	-	N.M.	(2,694)	2	N.M.
Reversal of provision for termination of leases	-	10,371	(100.0)	-	10,371	(100.0)

N.M. - Not meaningful

8 Income tax expense

The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

Group						
	<u>6 Months Ended</u>			<u>12 Months Ended</u>		
	30-06-2024	30-06-2023	<u>Change</u>	30-06-2024	30-06-2023	<u>Change</u>
	RMB'000	RMB'000	+ / (-) %	RMB'000	RMB'000	+ / (-) %
Current income tax	(101)	(2,440)	N.M.	1,241	(1,890)	N.M.
Deferred tax income relating to origination and reversal of temporary differences	616	(756)	N.M.	(1,122)	(1,178)	(4.8)
Income tax expense / (credit)	515	(3,196)		119	(3,068)	

N.M. - Not meaningful

9 Property, plant and equipment ("PPE")

During the year, the Group depreciated about RMB 14.6 million on its PPE, disposed PPE at net book value of RMB 3.4 million and acquired new assets amounting to RMB 6.6 million.

10 Right-of-use assets / leases

During the year, the Group has depreciated about RMB 55.1 million of its right-of-use assets, which is relates to the long term leases, majority for the stores. As a result of early termination of leases of three stores, the right-of-use assets and lease liabilities at total net book value of RMB 9.8 million and RMB 12.0 million respectively, were derecognised. Leases of two stores and an office were renewed with total net value for right-of-use assets and lease liabilities were recorded at RMB 155.4 million and RMB 149.8 million respectively.

11 Share capital

	<u>As at 30-06-2024</u>		<u>As at 30-06-2023</u>	
	No. of ordinary shares	Paid up share capital	No. of ordinary shares	Paid up share capital
	'000	RMB'000	'000	RMB'000
At beginning and end of financial year	196,320	67,148	196,320	67,148

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

12 Loan and borrowings

Amount repayable in one year or less, or on demand

As at 30-06-2024		As at 30-06-2023	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
168,188	6,935	124,300	6,761

Amount repayable after one year

As at 30-06-2024		As at 30-06-2023	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	42,635	-	49,084

As at 30 June 2024, total bank borrowings of RMB 168.2 million were interest bearing and secured by fixed deposits and a store owned by the Group.

The Group's unsecured interest bearing borrowings consists of RMB 42.0 million of bonds issued by the Company and a bank borrowing of RMB 7.6 million.

13 Related party transactions

Other than the related party information disclosed elsewhere in the condensed interim financial statements, the following are significant related party transactions entered into by the Group with related parties:

	Group			
	6 Months Ended		12 Months Ended	
	30-06-2024 RMB'000	30-06-2023 RMB'000	30-06-2024 RMB'000	30-06-2023 RMB'000
Concessionaire income from companies in which Directors have an interest	699	650	1,312	1,366
Advertisement income received from companies in which Directors have an interest	8	316	20	328
Management fees from a company in which Directors have an interest	2,449	2,449	4,925	4,925
Sales commission charged by a company in which Directors have an interest	286	168	492	417
Sales made to companies in which Directors have an interest	12,620	1,740	12,620	1,740
Rental income from a company in which Directors have an interest	72	56	72	56
Other income from a company in which Directors have an interest	93	79	93	79
Purchase made from a company in which Directors have an interest	-	1,299	-	1,299
Depreciation of right to use lease properties owned by a company in which Directors have an interest	2,262	2,550	4,618	4,804
Interest on payment of lease liabilities for use of lease properties owned by a company in which Directors have an interest	132	200	327	467

14 Subsequent events

The Group has acquired an office unit in Singapore at purchase consideration of S\$ 838,000. 1% of purchase consideration was made on 3 May 2024, following a 4% of option fee paid on 1 June 2024. The transaction is expected to complete in August 2024.

There were 20,300 number of shares bought back at total consideration of S\$13,188.91 in the month of July 2024.

At end August 2024, the Group will be terminating the lease of an underperforming store, Jinfeng store.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

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

There were no changes in the share capital of the Company in FY 2024.

There were no outstanding convertibles issued or subsidiary holdings as at 30 June 2024 and 30 June 2023.

The number of treasury shares held by the Company were 4,656,300 as at 30 June 2024 (30 June 2023: 4,572,300).

As at 30 June 2024, the number of treasury shares held by the Company constituted 2.4% (30 June 2023: 2.4%) of the total number of ordinary shares outstanding.

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

The total number of issued shares (excluding treasury shares) as at 30 June 2024 were 191,663,700 (30 June 2023: 191,747,700).

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

	6 Months Ended		12 Months Ended	
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
Balance at beginning of financial period / year	4,656,300	4,572,300	4,572,300	4,572,300
Purchase of treasury shares	-	-	84,000	-
Balance at end of financial period / year	<u>4,656,300</u>	<u>4,572,300</u>	<u>4,656,300</u>	<u>4,572,300</u>

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

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

3A 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.**

Not applicable.

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation as in the financial statements for the current financial year compared with those of the audited financial statements as at 30 June 2023.

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

The Group adopted the new/revised SFRS(I) and Interpretations of SFRS(I) ("SFRS(I) INT") that are effective for annual periods beginning on or after 1 July 2023. The adoption of the new/revised SFRS(I) and SFRS(I) INT did not have any significant impact on the financial statements of the Group.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**(a) Based on weighted average number of ordinary shares on issue; and****(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

	Group			
	<u>6 Months Ended</u>		<u>12 Months Ended</u>	
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RMB Cents	RMB Cents	RMB Cents	RMB Cents
(a) Based on weighted average number of ordinary shares	11.57	15.67	12.42	11.08
(b) Based on a fully diluted basis	11.57	15.67	12.42	11.08
Weighted average number of shares applicable to basic earning per share	191,663,700	191,747,700	191,671,662	191,747,700
Weighted average number of shares based on fully diluted basis	191,663,700	191,747,700	191,671,662	191,747,700

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

	Group		Company	
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RMB Cents	RMB Cents	RMB Cents	RMB Cents
Net asset value per ordinary share	100.42	93.48	18.88	10.83

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The current financial year covers the twelve months from 1 July 2023 to 30 June 2024 ("FY2024") and the preceding financial year from 1 July 2022 to 30 June 2023 ("FY2023").

Statement of Comprehensive Income

A review of the statement of comprehensive income for the six-month period ("6M2024") and the twelve-month ended 30 June 2024 ("FY2024") as compared to the six-month period ("6M2023") and the twelve-month ended 30 June 2023 ("FY2023") is as follows:-

The Group's total revenue for FY2024 increased by 1.7% to RMB 983.8 million as compared to RMB 967.6 million for FY2023. For the two corresponding six-month periods, revenue ended 30 June 2024 increased by 3.2%. The increase in revenue is mainly attributed to the increase in sales of gold and Maotai liquor.

Gross profits for FY2024 was about RMB 231.8 million, about 7.3% increase as compared with RMB 216.0 million in FY2023. For the two corresponding six-month periods, gross profit increased by 9.3% from RMB 108.6 million to RMB 118.7 million. The increase in gross profit was mainly due to the increase in revenue and gross profit margin. Gross profit margin in FY2024 was 23.6% as compared to 22.3% in FY2023. The increase in gross profit margin of 1.3% is mainly due to an increase in gross profit margin of gold.

The Group's cost of sales relates solely to its direct sales activities. The Group's gross profit and gross profit margin in respect to the direct sales activities are set out as per below:-

	Group					
	6 Months Ended			12 Months Ended		
	30-06-2024	30-06-2023	Change + / (-) %	30-06-2024	30-06-2023	Change + / (-) %
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue from direct sales activities	432,128	418,145	3.3	859,553	846,939	1.5
Cost of sales	(375,910)	(370,461)	1.5	(751,906)	(751,518)	0.1
Gross profit from direct sales activities	<u>56,218</u>	<u>47,684</u>	17.9	<u>107,647</u>	<u>95,421</u>	12.8
Gross profit margin on direct sales activities	13.0%	11.4%	1.6%	12.5%	11.3%	1.3%

The Group's other income for FY2024 decreased by 14.5% to RMB 91.3 million as compared to RMB 106.8 million for FY2023. This is mainly due to the decrease in advertisement and promotion income of RMB 3.0 million, the decrease in gain of derecognition of right-of-use assets of RMB 2.6 million, and a net gain on disposal of joint ventures of RMB 0.6 million recognised in FY2023 and the decrease in other operating income.

Interest income mainly consists of interest yield from fixed deposits. Interest income decreased from RMB 7.1 million to RMB 4.4 million this year, a result of the decrease in deposit interest rate.

The Group's selling expenses for FY2024 decreased moderately by 0.3% to RMB 197.6 million as compared to RMB 198.2 million for FY2023. The reasons for the decrease of RMB 0.6 million include the decrease in depreciation of right-of-use assets of RMB 6.8 million, the decrease in business and surcharges of RMB 0.3 million and the decrease in other expenses of RMB 0.7 million. These decreases were set off against the increase in salaries and related expenses of RMB 1.0 million, the increase in advertisement and promotion expenses of RMB 2.4 million and a reversal of prepaid card related expenses of RMB 4.2 million in FY2023.

Administrative expenses for FY2024 increased by 2.7% to RMB 110.3 million as compared to RMB 107.5 million for FY2023. The increase of RMB 2.8 million is mainly due to the increase in salaries and related expenses of RMB 5.1 million, the increase in depreciation of property, plant and equipment of RMB 1.0 million, the increase in net loss on disposal of property, plant and equipment of RMB 2.7 million and a reversal of provision for termination of leases of RMB 10.4 million in FY2023. These increases were set off against the decrease in amortisation of step rental income of RMB 2.8 million, the decrease in the write-off on property, plant and equipment of RMB 9.8 million and an impairment loss on the right-of-use assets of RMB 4.0 million in FY 2023.

Finance costs in FY2024 decreased by RMB 2.4 million compared with FY2023. The decline was mainly due to borrowing at lower interest rate for FY2024 as compared to FY2023.

The aggregated share of the results of joint-ventures and associates increased by RMB 8.1 million, from RMB 16.3 million in FY2023 to RMB 24.4 million in FY2024. The reasons for the increase between the two corresponding years are set out as follows :-

- (1) Share of loss of a joint venture (Wuxi Shi Yueshang Outlets Co., Ltd. ["Wuxi"]) was reduced by RMB 1.2 million. There was no record of Wuxi's results for FY2024 in comparison to share of loss of RMB 1.2 million in FY2023. The profit of RMB 6.5 million for FY2024 was being utilised for the accumulated unrecognised losses of RMB 11.0 million from previous years. As a result, the balance of accumulated unrecognised losses is about RMB 4.5 million as at 30 June 2024.
- (2) Share of profit of an associate (Changsha Sasseur Zhongmin Baihui Outlets Commercial Management Co., Ltd.) increased by RMB 7.2 million, from RMB 21.7 million in FY2023 to RMB 28.9 million in FY2024; and
- (3) An increase in share of losses from two other associates (Citi-Base Commercial Logistics (Xiamen) Co., Ltd. and Xiamen Citi-Base Commerce Co., Ltd.) of RMB 0.2 million, from RMB 4.3 million in FY2023, to RMB 4.5 million in FY2024.

The Group recorded income tax expense of RMB 0.1 million in FY2024 as compared to an income tax credit of RMB 3.1 million in FY2023. The income tax credit for FY2023 is mainly due to the reversal of tax provision of prior years.

As a result of the preceding factors mentioned, the Group recorded a profit after taxation of RMB 23.8 million in FY2024, compared to a profit after taxation of RMB 21.2 million in FY2023.

Statements of Financial Position

Below is a review of the Statements of Financial Position as at 30 June 2024 compared with 30 June 2023.

Non-current assets

Property, plant and equipment decreased by RMB 11.4 million. Apart from depreciation expenses of RMB 14.6 million and disposal as well as written off of assets at total net book value of RMB 3.4 million. During the year, the Group acquired about RMB 6.6 million of assets.

Right-of-use assets was recorded at RMB 350.4 million, an increase of RMB 90.6 million. This is a result of derecognition of leases of three stores, Wanxiang, Luncang and Maluanwan stores at total net book value of RMB 9.8 million, depreciation expenses of RMB 55.1 million and additional RMB 155.4 million relating to the renewal of leases of two stores and an office.

Investment in associates and joint ventures increased by an aggregate RMB 3.5 million. This is due to share of profit from associates of RMB 24.4 million; set off by (i) dividend income of RMB 16.1 million and (ii) distribution in investment from an associate in Changsha of RMB 4.8 million.

Other receivables decreased by RMB 1.0 million mainly resulted from a reclassification of receivables of about RMB 1 million from non-current to current, which is in relates to a lease deposit placed with a landlord.

Current assets

Inventories increased by RMB 33.1 million, which is in line with increase in revenue. In addition, there was delivery of Maotai liquor towards the end of current financial year.

Trade and other receivables increased by RMB 6.0 million, a result of an increase in trade receivables of about RMB 0.6 million, which is in line with increase in sales. Other receivables has increased by RMB 5.4 million which include 1.0 million reclassification of deposit from non-current to current. RMB 2.0 million advertisement income charged for and an increase in deposits of RMB 2.4 million placed for Maotai related products.

Prepayments decreased by RMB 1.2 million, mainly due to the decrease in advance payment made to suppliers.

Amount due from related parties decreased by RMB 1.3 million during the year.

The amount due from joint ventures has increased by RMB 9 million due to further shareholder loan provided to a joint venture company during the year.

The amount due from associates increased by RMB 13.5 million due to further shareholder loan provided to the Group's associates during the year.

Current liabilities

Trade and other payables decreased by RMB 8.8 million, mainly due to decrease in trade payables as a result of upfront payments was used to set off against amount due to suppliers.

Amount due to related parties decreased by RMB18.3 million during the year.

Increase in other liabilities mainly includes accrued bonus of RMB 3.1 million provided for the year.

Reduction in income tax payable, a result of tax payment made during the year.

Loans and borrowings (current and non-current)

Total loans and borrowings amounted to RMB 217.8 million, an increase of RMB 37.7 million. This is due to loan repayments of RMB 140.6 million, set off by (i) RMB 177.7 million of new loans and (ii) RMB 0.6 million of unrealised foreign exchange loss was incurred.

Lease liabilities (current and non-current)

Lease liabilities increased by RMB 79.0 million due to repayments (net of interest expenses) amounting to RMB 59.7 million and derecognition of lease liabilities due to early termination amounting to RMB 12.0 million. These were set off by renewed leases of two stores and an office at total net value RMB 149.8 million and other lease related payables and prepayments of RMB 0.9 million.

Cash flow statement

The Group reported net cash and cash equivalents of RMB 91.9 million as at 30 June 2024.

Review of Cash flow statement for twelve months ended 30 June 2024 ("FY2024") and ended 30 June 2023 ("FY2023")

Cash generated from operating activities

Net cash generated from operating activities was about RMB 33.3 million in FY2024 (FY2023: RMB 89.2 million).

This was attributed to profit before taxation of RMB 23.9 million, adjustments for the main non-cash items including amortisation and depreciation expenses of RMB 69.7 million, unwinding on discount of bond of RMB 0.5 million, property, plant and equipment written off at RMB 0.8 million, loss on disposal of property, plant and equipment at RMB 2.7 million, gain on derecognition of right-of-use assets of RMB 8.0 million, finance costs of RMB 20.0 million, interest income of RMB 4.4 million, and share of profits of joint ventures and associates of RMB 24.4 million to arrive at operating cash flows before changes in working capital of RMB 80.9 million.

After adjusting for working capital changes including increase in inventories of RMB 33.1million, decreases in prepayments of RMB 1.8 million, increases in trade and other receivables of RMB 5.4 million and decreases in trade and other payables of RMB 9.1 million as well as adjustments for receipt of interest of RMB 4.7 million and tax payment of RMB 6.6 million, the Group's net cash generated from operating activities amounted to RMB 33.3 million.

Cash generated from investing activities

Net cash generated from investing activities was about RMB 33.1 million. This mainly included a dividend received from an associate of RMB 16.1 million, distributions received from investment in an associate of RMB 4.8 million, repayment of advances from related parties of RMB 1.1 million and withdrawals of fixed deposits of RMB 40.3 million. These were set off against the cash outflow including total loan at RMB 22.5 million extended to a joint venture and associates, and the purchase of property, plant and equipment for about RMB 6.6 million.

Cash used in financing activities

Net cash used in financing activities was about RMB 126.4 million. There was dividend payout of RMB 10.3 million and share buyback of RMB 0.3 million during the year. RMB 145.9 million was used to repay the Group's principal and interest expense of loans and another RMB 69.7 million was used to repay the principal and the interest expense of lease liabilities. During the year, there was repayment of advances to related parties at RMB 18.0 million, an increase of RMB 60 million pledged as collateral for its borrowing with bank and new loans of RMB 177.7 million was obtained.

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

There has not been any forecast or prospect statement in relation to the Group's results previously disclosed to shareholders.

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

According to the National Bureau of Statistics of China, real GDP in China grew 5.0% year-on-year in the first half of 2024, compared to 5.2% in 2023 and 5.5% in the first half of 2023. Retail sales of consumer goods grew 3.7% in the first half of 2024, compared to 7.2% in 2023 and 8.2% in the first half of 2023. The Chinese economy continues to grow but at a more moderate pace.

The Group added a 4,000 sqm supermarket store in Haicang District, Xiamen City in March 2024, bringing the total number of Zhongmin Baihui stores in Fujian Province to 16, comprising 13 self-owned stores and 3 managed stores, with a total gross floor area of about 180,000 sqm. The Group's 30%-owned associated company, Citi-Base Commerce Logistics (Xiamen) Co., started leasing its 668-unit condominium project after its completion.

Our outlet malls in Wuxi and Changsha continue to strive to improve in terms of occupancy and operating performance. The Group will also try to improve the operating performance of our existing network of stores in Fujian Province.

11 **If a decision regarding dividend has been made:-**

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

Yes, the Board recommends declaration of 1.0 Singapore cent per share as final dividend for the financial year ended 30 June 2024.

(b) (i) **Amount per share;**

Name of Dividend	Final
Dividend Type	Cash
Dividend amount per ordinary share	1.0 Singapore cent
Tax rate	One-tier tax exempt

(b) (ii) **Previous corresponding period;**

Name of Dividend	Final
Dividend Type	Cash
Dividend amount per ordinary share	1.0 Singapore cent
Tax rate	One-tier tax exempt

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

One-tier tax exempt.

(d) **The date the dividend is payable; and**

To be announced later.

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

To be announced later.

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

Not applicable.

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 820)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	(RMB'000)	(RMB'000)
Concessionaire income charged to a related party: Fujian Hancal Garments Co. Ltd	1,309	-
Management fees charged to a related party: Quanzhou Zhongmin Baihui Shopping Co., Ltd	4,925	-
Renewal of a 5 years lease entered into with a related party (lessor): Quanzhou Zhongmin Baihui Shopping Co., Ltd	20,600	-

Previously purchases made by end customers using prepaid cards issued by Quanzhou Zhongmin Baihui Shopping Co., Ltd and Zhangzhou Zhongmin Baihui Shopping Co., Ltd were wrongly classified as IPTs. These have been removed from the above table because the sales were made to the end customers and not to these two entities.

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

14 **Negative confirmation pursuant to the Rule 705(5).**

The Board of Directors confirms that to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results for the six-month and twelve-month ended 30 June 2024 of the Group and the Company to be false or misleading in any material aspect.

15 **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1).

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

No reporting by geographical location and business segments is presented as the business operations of the Group are solely in the retail industry in China.

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

Not applicable.

18 **A breakdown of sales as follows:-**

	Group		
	12 Months Ended	12 Months Ended	Change + / (-)
	30-06-2024	30-06-2023	
	RMB'000	RMB'000	%
Revenue			
- first half	489,127	488,496	0.1
- second half	494,610	479,069	3.2
	983,737	967,565	1.7
Profit after taxation			
- first half	1,629	(8,789)	N.M.
- second half	22,175	30,038	(26.2)
	23,804	21,249	12.0

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

	Full year ended	
	30-06-2024	30-06-2023
	(S\$'000)	(S\$'000)
Ordinary		
- Interim	-	-
- Final*	1,917	1,917
Total:	1,917	1,917

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chen Huiling	37	Daughter of Chen Kaitong	Head of the Fourth Merchandising Department (since 1 July 2020). Her duties include the Group's business solicitation, procurement and sales management for menswear and sportswear.	N.A.

BY ORDER OF THE BOARD

ZHONGMIN BAIHUI RETAIL GROUP LIMITED
LEE SWEE KENG
EXECUTIVE CHAIRMAN

27 August 2024