



YAMADA GREEN RESOURCES LIMITED
(Company Registration Number 201002962E)
(Incorporated in the Republic of Singapore)
AND SUBSIDIARIES

Unaudited condensed consolidated interim financial statements
For the six months ended 31 December 2021

TABLE OF CONTENTS

Item No	Description	Page
A.	Condensed interim consolidated statements of profit or loss and other comprehensive income	3
B.	Condensed interim statements of financial position	4
C.	Condensed interim statements of changes in equity	5
D.	Condensed interim consolidated statements of cash flows	7
E.	Notes to the condensed interim consolidated financial statements	8
F.	Other information required by Listing Rule Appendix 7.2	18

A. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group					
		3 months ended 31 December			6 months ended 31 December		
		2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000	Increase / (Decrease) %	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000	Increase / (Decrease) %
Revenue	5	15,632	15,997	(2.3)	28,919	31,132	(7.1)
Cost of sales		(14,174)	(14,566)	(2.7)	(25,984)	(27,735)	(6.3)
Gross profit		1,458	1,431	1.9	2,935	3,397	(13.6)
Revenue from investment properties	5	2,222	1,792	24.0	4,485	3,792	18.3
Other operating income	6	567	2,669	(78.8)	1,420	4,802	(70.4)
Selling and distribution expenses		(541)	(334)	62.0	(794)	(615)	29.1
Administrative expenses		(3,343)	(3,489)	(4.2)	(7,081)	(7,273)	(2.6)
Other operating expenses	6	(130)	(1,632)	(92.0)	(162)	(2,615)	(93.8)
Finance costs	6	(35)	(45)	(22.2)	(80)	(104)	(23.1)
Profit before taxation		198	392	(49.5)	723	1,384	(47.8)
Taxation	7	-	-	-	(74)	-	n.m.
Net Profit for the period		198	392	(49.5)	649	1,384	(53.1)
Other comprehensive income							
Item that will never be reclassified subsequently to profit or loss							
Revaluation of property, plant and equipment – leasehold properties, net of tax		-	-		-	-	
Total comprehensive income		-	-		-	-	
Total comprehensive income for the year attributable to:							
Owners of the Company		198	392	(49.5)	649	1,384	(53.1)
Earnings per share (RMB' cent)	8						
- Basic		0.1	0.2		0.4	0.8	
- Diluted		0.1	0.2		0.4	0.8	

n.m.: not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		31 December 2021 (Unaudited) RMB'000	30 June 2021 (Audited) RMB'000	31 December 2021 (Unaudited) RMB'000	30 June 2021 (Audited) RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	Note 11	1,758	1,360	-	-
Right-of-use assets	12	40,507	41,948	-	-
Intangible assets	14	43	55	-	-
Investment properties	13	240,767	240,767	7,685	7,685
Investments in subsidiaries	10	-	-	153,757	153,757
Total non-current assets		283,075	284,130	161,442	161,442
Current assets					
Inventories	15	13,436	15,933	-	-
Trade and other receivables		7,975	9,280	171,924	171,507
Prepayments		1,761	86	22	83
Cash and bank balances		30,464	29,121	1,046	1,370
		53,636	54,420	172,992	172,960
Total assets		336,711	338,550	334,434	334,402
Equity					
Share capital	17	322,210	322,210	322,210	322,210
Share-based payment reserve		2,016	2,016	2,016	2,016
Statutory reserve		72,449	72,449	-	-
Revaluation reserve		42,805	42,805	-	-
Other reserve		29,349	29,349	-	-
Accumulated losses		(187,707)	(188,356)	(33,378)	(31,915)
Total equity attributable to owners of the Company		281,122	280,473	290,848	292,311
LIABILITIES					
Non-current liabilities					
Bank borrowings	16	3,762	4,002	3,762	4,002
Deferred tax liabilities		33,973	33,973	-	-
Total non-current liabilities		37,735	37,975	3,762	4,002
Current liabilities					
Trade and other payables		17,492	17,702	39,462	37,689
Bank borrowings	16	362	2,400	362	400
Total current liabilities		17,854	20,102	39,824	38,089
Total liabilities		55,589	58,077	43,586	42,091
Total equity and liabilities		336,711	338,550	334,434	334,402

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Group						Total equity
	Share capital	Other reserve – non distributable	Share-based payment reserve	Statutory reserve	Revaluation reserve	Accumulated losses	
(RMB'000)							
<u>FY2022</u>							
<u>(Unaudited)</u>							
Balance at 1 July 2021	322,210	29,349	2,016	72,449	42,805	(188,356)	280,473
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	451	451
Balance as at 30 September 2021	322,210	29,349	2,016	72,449	42,805	(187,905)	280,924
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	198	198
Balance as at 31 December 2021	<u>322,210</u>	<u>29,349</u>	<u>2,016</u>	<u>72,449</u>	<u>42,805</u>	<u>(187,707)</u>	<u>281,122</u>
<u>FY2021</u>							
<u>(Unaudited)</u>							
Balance at 1 July 2020	322,210	29,349	2,016	72,449	41,740	(168,068)	299,696
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	992	992
Balance as at 30 September 2020	322,210	29,349	2,016	72,449	41,740	(167,076)	300,688
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	392	392
Balance as at 31 December 2020	<u>322,210</u>	<u>29,349</u>	<u>2,016</u>	<u>72,449</u>	<u>41,740</u>	<u>(166,684)</u>	<u>301,080</u>

YAMADA GREEN RESOURCES LIMITED

	Company			
	Share capital	Share-based payment reserve	Accumulated losses	Total equity
(RMB'000)				
<u>FY2022 (Unaudited)</u>				
Balance as at 1 July 2021	322,210	2,016	(31,915)	292,311
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(774)	(774)
Balance as at 30 September 2021	322,210	2,016	(32,689)	291,537
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(689)	(689)
Balance as at 31 December 2021	322,210	2,016	(33,378)	290,848
<u>FY2021 (Unaudited)</u>				
Balance as at 1 July 2020	322,210	2,016	(33,474)	290,752
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(695)	(695)
Balance as at 30 September 2020	322,210	2,016	(34,169)	290,057
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(828)	(828)
Balance as at 31 December 2020	322,210	2,016	(34,997)	289,229

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group			
	3 months ended 31 December		6 months ended 31 December	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Cash flows from operating activities:				
Profit before taxation	198	392	723	1,384
Adjustments for:				
Amortisation of intangible assets	6	6	12	12
Bad debts written off	-	68	-	68
Depreciation of property, plant and equipment	55	44	110	88
Depreciation of right of use assets	720	539	1,441	1,269
Gain on disposal of property, plants and equipment	-	(1,766)	-	(3,555)
Interest expense	35	45	80	104
Interest income	(133)	(12)	(195)	(55)
Property, plant and equipment written off	-	10	-	12
Exchange (gain) / loss	198	515	101	943
Operating cash flow before working capital changes	1,079	(159)	2,272	270
Working Capital Changes:				
Inventories	(236)	1,461	2,496	3,740
Trade and other receivables and prepayments	(1,680)	1,752	(370)	(7,835)
Trade and other payables	2,215	8,991	(210)	12,351
Cash generated from operations	1,378	12,045	4,188	8,526
Interest received	133	12	195	55
Income tax paid	(74)	-	(74)	-
Net cash generated from operating activities	1,437	12,057	4,309	8,581
Cash flows from investing activities:				
Acquisition of property, plant and equipment	(505)	(8,039)	(508)	(9,095)
Proceeds from disposal of property, plant and equipment	-	1,772	-	3,584
Net cash used in investing activities	(505)	(6,267)	(508)	(5,511)
Cash flows from financing activities:				
Proceeds from bank borrowings	-	2,000	-	2,000
Repayment of bank borrowings	(2,086)	(2,081)	(2,163)	(2,182)
Interest paid	(35)	(45)	(80)	(104)
Net cash used in financing activities	(2,121)	(126)	(2,243)	(286)
Net increase in cash and cash equivalents	(1,189)	5,664	1,558	2,784
Cash and cash equivalents at beginning of the financial period	31,897	18,959	29,121	22,364
Effect of foreign exchange rate changes on cash and cash equivalents	(244)	(570)	(215)	(1,095)
Cash and cash equivalents at end of the financial period	30,464	24,053	30,464	24,053

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**1. General Information**

Yamada Green Resources Limited (the “Company”) is a public limited liability company and domiciled in Singapore. The Company was incorporated in Singapore on 8 February 2010 as a private limited company under the name Yamada Green Resources Pte. Ltd. On 28 September 2010, the Company was converted into a public company. The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office of the Company is located at 7 Temasek Boulevard #32-01 Suntec Tower One, Singapore 038987. The principal place of business is at No. 2 Dongling Road, Minhou Economic and Technological Development Zone, Ganzhe Street Minhou County, Fuzhou City, Fujian Province, the People’s Republic of China (“PRC”). The condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group)

The principal activity of the Company is that of an investment holdings company. The principal activities of the Group are sales of processed food products and edible fungi, and rental revenue from investment properties.

2. Basis of preparation

These consolidated financial statements are unaudited and prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They do not include all of the information required for full annual financial statements and should be read in conjunction with the last audited annual financial statements for the year ended 30 June 2021 (“FY2021 Audited Financial Statements”).

The FY2021 Audited Financial Statements were prepared under Singapore Financial Reporting Standards(International) (SFRS(I)).

The accounting policies and presentation adopted for this unaudited consolidated interim financial report are consistent with those adopted for the FY2021 Audited Financial Statements.

The financial statements are presented in Renminbi (“RMB”) which is the Company’s functional currency. All financial information presented in RMB has been rounded to the nearest thousand (“RMB’000”) unless otherwise stated.

3. Use of judgements and estimates

In preparing the condensed interim 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. 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 June 2021.

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. Seasonality of operations

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

5. Segment and revenue information

The Group's business comprises processed food products and investment properties segments.

	Investment properties	Processed food products	Corporate	Total
	RMB'000	RMB'000	RMB'000	RMB'000
1 July 2021 To 31 December 2021				
Revenue				
- Sale of goods	-	28,919	-	28,919
- Revenue from investment properties	4,485	-	-	4,485
Results				
Segment results	2,365	(240)	(1,517)	608
Interest income	-	195	-	195
Finance costs	(44)	(36)	-	(80)
Profit/ (Loss) before taxation	2,321	(81)	(1,517)	723
Taxation	(74)	-	-	(74)
Profit/ (Loss) after taxation	2,247	(81)	(1,517)	649
Other segment items				
Capital expenditure				
- property, plant and equipment	-	(508)	-	(508)
Depreciation and amortisation	-	(1,563)	-	(1,563)
Segment assets	241,801	89,951	1,070	332,822
Segment liabilities	4,183	12,267	1,260	17,710
1 July 2020 To 31 December 2020				
Revenue				
Sale of goods	-	31,132	-	31,132
Revenue from investment properties	3,792	-	-	3,792
Results				
Segment results	2,744	353	(1,664)	1,433
Interest income	-	55	-	55
Finance costs	(59)	(45)	-	(104)
Profit/ (Loss) before taxation	2,685	363	(1,664)	1,384
Taxation	-	-	-	-
Profit/ (Loss) after taxation	2,685	363	(1,664)	1,384
Other segment items				
Capital expenditure				
- property, plant and equipment	-	8,296	-	8,295
- investment property	800	-	-	800
Property, plant and equipment written off	-	12	-	12
Depreciation and amortisation	-	1,369	-	1,369
Segment assets	254,586	116,233	150	370,969
Segment liabilities	4,775	23,219	1,972	29,966

Geographical Information

The Group's two business segments operate in two geographical areas.

	Group			
	3 months ended 31 December		6 months ended 31 December	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Sales of goods				
- China (domicile)	776	1,499	1,824	4,491
- Japan	14,856	14,498	27,095	26,641
Total	15,632	15,997	28,919	31,132
Revenue from investment properties				
- China (domicile)	2,163	1,731	4,367	3,671
- Singapore	59	61	118	121
Total	2,222	1,792	4,485	3,792

Timing of revenue recognition

	Group			Group		
	3 months ended 31 December 2021			6 months ended 31 December 2021		
	At a point in time RMB'000	Over time RMB'000	Total RMB'000	At a point in time RMB'000	Over time RMB'000	Total RMB'000
Sales of goods	15,632	-	15,632	28,919	-	28,919
Revenue from investment properties	-	2,222	2,222	-	4,485	4,485
Total	15,632	2,222	17,854	28,919	4,485	33,404

	Group			Group		
	3 months ended 31 December 2020			6 months ended 31 December 2020		
	At a point in time RMB'000	Over time RMB'000	Total RMB'000	At a point in time RMB'000	Over time RMB'000	Total RMB'000
Sales of goods	15,997	-	15,997	31,132	-	31,132
Revenue from investment properties	-	1,792	1,792	-	3,792	3,792
Total	15,997	1,792	17,789	31,132	3,792	34,924

6. 6.1 Profit before Tax
Significant items

	Group					
	<u>3 months ended 31 December</u>			<u>6 months ended 31 December</u>		
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000	Increase/ (Decrease) %	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000	Increase/ (Decrease) %
Amortisation of intangible assets	(6)	(6)	-	(12)	(12)	-
Depreciation of property, plant and equipment	(55)	(44)	25.0	(110)	(88)	25.0
Depreciation of rights-of-use assets	(720)	(539)	33.6	(1,441)	(1,269)	13.6
Interest expense	(35)	(45)	(22.2)	(80)	(104)	(23.1)
Included in other operating income:-						
Gain on disposal of property, plants and equipment	-	1,766	n.m.	-	3,555	n.m.
Government subsidies	-	539	n.m.	172	568	(69.7)
Interest income	133	12	n.m.	195	55	254.6
Included in other operating expenses:-						
Foreign currency exchange loss, net	(225)	(1,513)	(85.1)	(104)	(2,428)	(95.7)
Property, plant and equipment written off	-	(10)	n.m.	-	(12)	n.m.
Bad debt written off	-	(68)	n.m.	-	(68)	n.m.
n.m.: not meaningful						

6.2 Related party transactions

There is no material related party transaction in the reporting periods.

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:

	Group	
	<u>6 months ended 31 December</u>	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax expense	74	-
Deferred tax -Origination and reversal of temporary difference	-	-
Total income tax expense	<u>74</u>	<u>-</u>

8. Earnings per share

	Group			
	<u>3 months ended 31 December</u>		<u>6 months ended 31 December</u>	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit after tax for the year (RMB'000)	198	392	649	1,384
- Basic earnings per share (RMB cents)	0.1	0.2	0.4	0.8
- Diluted earnings per share (RMB cents)	0.1	0.2	0.4	0.8

Earnings per share is calculated based on the Group's net profit after tax for the period divided by the total number of issued share capital of the Company amounting to 176,798,164 shares for the three-month and six-month period ended 31 December 2021 (31 December 2020: 176,798,164).

9. Net asset value

	Group		Company	
	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>
	2021	2021	2021	2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net Asset Value per share (RMB cents)	159.0	158.6	164.5	165.3

The net asset value per ordinary share of the Group and the Company as at 31 December 2021 and 30 June 2021 was calculated based on the total number of issued share capital of the Company of 176,798,164 as at 31 December 2021 and 30 June 2021 respectively.

10. Investment in Subsidiaries

	As at	As at
	31 December	30 June
	2021	2021
	RMB'000	RMB'000
	(Unaudited)	(Audited)
The Company		
Unquoted equity investments, at cost	163,975	163,975
<u>Impairment loss on investment in a subsidiary</u>		
Balance at beginning and end of period	(10,218)	(14,213)
Reversal of impairment	-	3,995
Balance at end of period	<u>153,757</u>	<u>153,757</u>

YAMADA GREEN RESOURCES LIMITED

The subsidiaries are:

Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of interests and voting rights held by the Group		Principal activities
		31 December 2021 RMB'000	30 June 2021 RMB'000	31 December 2021 %	30 June 2021 %	
Held by the Company						
Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng")	The People's Republic of China ("PRC")	149,762	149,762	100	100	Production and sales of processed food products, rental revenue from investment properties
Nanping Yuanwang Foods Co., Ltd ("Yuanwang")	PRC	14,213	14,213	100	100	Rental revenue from investment properties
Held by Fujian Wangsheng Industrial Co., Ltd.						
Zhangping Fengwang Agricultural Products Co., Ltd ("Fengwang")	PRC	-	-	100	100	Sales of edible Fungi, rental revenue from Investment properties
Feng Zhi Qiu International Holdings Co., Ltd. (Hong Kong Special Administrative Region) ("Fengzhiqiu")	Hong Kong	-	-	100	100	Sales of processed food products
		163,975	163,975			

11. Property, plant and equipment

During the six months under review, the Group acquired assets amounting to RMB0.5 million (31 December 2020: RMB8.3 million). There was property, plants and equipment written off of less than one thousand renminbi (31 December 2020: RMB0.01 million). There was no disposal of property, plants and equipment during this financial period (31 December 2020: RMB0.03 million).

12. Rights-of-use assets

6 months ended 31 December 2021 (Unaudited)	Leasehold buildings RMB'000	Land use rights RMB'000	Total RMB'000
The Group			
Balance at 30 June 2021	30,423	19,017	49,440
Balance at 31 December 2021	30,423	19,017	49,440
Accumulated depreciation and impairment			
Balance at 30 June 2021	1,535	5,957	7,492
Depreciation/amortisation during the period	1,171	270	1,441
Balance at 31 December 2021	2,706	6,227	8,933
Carrying amount:			
Balance at 31 December 2021	27,717	12,790	40,507

6 months ended 31 December 2020 (Unaudited)			
	Leasehold buildings	Land use rights	Total
	RMB'000	RMB'000	RMB'000
The Group			
Balance at 30 June 2020	38,123	17,077	55,200
Transfer from investment properties	2,472	-	2,472
Transfer to investment properties	(5,180)	-	(5,180)
Balance at 31 December 2020	35,415	17,077	52,492
<u>Accumulated depreciation and impairment</u>			
Balance at 30 June 2020	1,005	5,957	6,962
Depreciation/amortisation during the period	997	271	1,268
Balance at 31 December 2020	2,002	6,228	8,230
Carrying amount:			
Balance at 31 December 2020	33,413	10,849	44,262

As at 31 December 2021, there was no impairment recognised during the period. The Group has estimated the carrying amount of the rights-of-use assets in accordance with the fair value determined on 30 June 2021 and are depreciated on a straight-line basis over their estimated useful lives. The Group's rights-of-use assets are stated at estimated fair value based on the valuation performed by independent professional valuers who are appointed annually to perform the valuation as at each financial year-end of the Group. The recoverable amount is based on their fair value less cost to sell as determined using income approach, which is a fair value hierarchy Level 3 measurement.

13. Investment property

6 months ended 31 December 2021 (Unaudited)			
	Leasehold buildings	Land use rights	Total
	RMB'000	RMB'000	RMB'000
The Group			
Balance at beginning and end of the financial period	229,867	10,900	240,767

6 months ended 31 December 2020 (Unaudited)			
	Leasehold buildings	Land use rights	Total
	RMB'000	RMB'000	RMB'000
The Group			
Balance at 30 June 2020	220,426	10,490	230,916
Transfer from construction-in-progress	800	-	800
Transfer from rights-of-use assets	5,180	-	5,180
Transfer to rights-of-use assets	(2,472)	-	(2,472)
Balance at 31 December 2020	223,934	10,490	234,424

The Group's investment properties (including land use rights) are stated at estimated fair value based on the valuation performed by independent professional valuers who are appointed annually to perform valuation as at each financial year end of the Group. Independent valuers were not appointed to perform valuation of the investment properties as at 31 December 2021. However, the Group had taken into account the factors such as the market rental rates and changes in tenants during this financial period. There were no major aspects that have impacted the fair value of the investment properties as at 31 December 2021.

The fair value of the investment properties as at financial year ended 30 June 2021 was based on valuations performed by independent professional valuers, Colliers International Consultancy & Valuation (Singapore)

Pte. Ltd. and Savills Valuation and Professional Services Limited (2020 - Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. and Jones Lang LaSalle Corporate Appraisal and Advisory Limited).

The valuers have considered valuation techniques including the depreciated replacement cost approach, direct comparable method and income capitalisation approach in arriving at the open market value as at the balance sheet date. The direct comparable method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The capitalisation rate applied for the valuation of investment properties was 4.5%- 5.5% for the financial year ended 30 June 2021 (30 June 2020: 5.5% - 6%).

At each financial year end, the Group's finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to prior year valuation report; and
- holds discussions with the independent valuer.

14. Intangible assets

	31 December 2021 (Unaudited) RMB'000	30 June 2021 (Audited) RMB'000
The Group		
<u>Cost</u>		
Balance at beginning and end of the financial period	120	120
<u>Accumulated amortisation</u>		
Balance at beginning of period	65	40
Amortisation for the period	12	25
Balance at end of period	77	65
Net book value at end of period	43	55

Intangible assets are relating to computer software acquired, which are not an integral part of related hardware. The assets are capitalized and amortised on a straight-line basis over their useful life of 5 years. In addition, they are subject to annual impairment testing, if there are any indicators of impairment.

15. Inventories

	31 December 2021 (Unaudited) RMB'000	30 June 2021 (Audited) RMB'000
The Group		
At cost:		
Finished goods	3,760	3,268
Goods in transit	3,850	1,786
Raw materials	5,826	10,879
Balance at end of period	13,436	15,933

16. Borrowings**Amount repayable in one year or less, or on demand**

As at 31 December 2021 (Unaudited)		As at 30 June 2021 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
362	N.A.	2,400	N.A.

Amount repayable after one year

As at 31 December 2021 (Unaudited)		As at 30 June 2021 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
3,762	N.A.	4,002	N.A.

Details of any collateral

The Company's wholly-owned subsidiary, Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng"), has entered into a multiple credit facility agreement dated 26 February 2019 with China Everbright Bank in relation to a credit facility of up to an aggregate principal amount of RMB50.0 million to be granted by the China Everbright Bank commencing from 26 February 2019 to 25 February 2022 (the "Facility Agreement"). Wangsheng has pledged its factory and office building in Houyu Jingxi Town, Minhou County, Fuzhou City, Fujian Province as securities under the Facility Agreement.

In addition, Wangsheng has also been granted a credit facility (the "Facility") of up to an amount of RMB15.0 million from 1 November 2019 to 31 October 2022 by the Postal Savings Bank of China. Mr Chen Qiu Hai, the Executive Director and Chief Executive Officer of the Company has provided a personal guarantee for payment of all monies and liabilities owed by Wangsheng to Postal Savings Bank of China up to RMB15.0 million. Wangsheng has pledged partial factories and buildings in Minhou County, Fuzhou City, Fujian Province as securities pursuant to the Facility. In November 2020, Wangsheng drew down an amount of RMB2.0 million from the amount granted by Postal Savings Bank of China for general working capital purposes.

As announced on 16 December 2021, the Company has fully repaid and terminated the above mentioned bank facilities with China Everbright Bank and the Postal Savings Bank of China. Also, all securities granted in relation to the above facilities have been released.

In addition, the Company has taken a mortgage loan of approximately S\$1.3 million granted by Hong Leong Finance in 2016 to finance the acquisition of an office unit at PLUS (formerly known as GSH Plaza) in Singapore. The tenure of the loan is 15 years. The office unit at PLUS in Singapore has been classified as an investment property to earn rental income. On 14 July 2020, the Company has accepted a letter of offer which stipulated the variation of terms of the mortgage loan from Hong Leong Finance.

As at 31 December 2021, the Group's outstanding loan amount was approximately RMB4.1 million, of which approximately RMB0.4 million is repayable within 1 year and the rest of the loan amount is repayable after 1 year.

17. Share capital

	31 December 2021	30 June 2021
	Number of shares '000	Number of shares '000
Number of issued shares		
Balance at beginning and at end of period	<u>176,798</u>	<u>176,798</u>
	31 December 2021	30 June 2021
	RMB'000	RMB'000
Ordinary shares issued and fully paid		
Balance at beginning and at end of period	<u>322,210</u>	<u>322,210</u>

The Company did not hold any treasury shares as at 31 December 2021 and 31 December 2020.

The Company did not have any outstanding convertibles and subsidiary holdings as at 31 December 2021 and 31 December 2020.

18. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**1. Review**

The condensed consolidated statement of financial position of Yamada Green Resources Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of Performance**Q2FY2022 vs Q2FY2021**

Revenue generated from the food processing business was RMB15.6 million for the second quarter ended 31 December 2021 ("Q2FY2022"), representing a decrease of RMB0.4 million or 2.3% as compared to RMB16.0 million in the second quarter ended 31 December 2020 ("Q2FY2021"). This was mainly attributable to lower sales of the processed food products in domestic markets which was affected by the Covid-19 pandemic and the electricity curtailment in Fuzhou.

Despite the slight decrease in revenue, gross profit increased by RMB0.03 million, from RMB1.43 million in Q2FY2021 to RMB1.46 million in Q2FY2022. Gross profit margin improved from 9.0% in Q2FY2021 to 9.3% in Q2FY2022.

Income derived from investment properties increased by RMB0.4 million or 24.0% to RMB2.2 million in Q2FY2022 from RMB1.8 million in Q2FY2021. This mainly arose from an increase in space rented out during the financial period.

Other operating income decreased by RMB2.1 million from RMB2.7 million in Q2FY2021 to RMB0.6 million in Q2FY2022. This was primarily a result of the absence of gain on disposal of the property, plants and equipment amounting to RMB1.8 million recorded in Q2FY2021. Other operating income items recorded in Q2FY2022 included interest income, government subsidies and other miscellaneous income.

Selling and distribution expenses increased by RMB0.2 million to RMB0.5 million in Q2FY2022 from RMB0.3 million in Q2FY2021. The increase is mainly due to higher transportation cost incurred during the period.

Administrative expenses decreased by RMB0.2 million or 4.2% to RMB3.3 million in Q2FY2022 from RMB3.5 million in Q2FY2021, mainly due to a decrease in legal and professional fees incurred during the financial period.

Other operating expenses decreased by 92.0% to RMB0.1 million in Q2FY2022 from RMB1.6 million in Q2FY2021. This was mainly due to a lower foreign currency exchange loss as depreciation of the US Dollar against the Renminbi in Q2FY2022 was less significant as compared to the same period last year.

The Group recorded finance costs of RMB0.04 million and RMB0.05 million in Q2FY2022 and Q1FY2021 respectively.

As a result of the above, net profit for Q2FY2022 decreased to RMB0.2 million in Q2FY2022 as compared to RMB0.4 million in Q2FY2021.

1HFY2022 vs 1HFY2021

For the six months ended 31 December 2021 ("1HFY2022"), revenue decreased by RMB2.2 million or 7.1% to RMB28.9 million as compared to RMB31.1 million for the six months ended 31 December 2020

("1HFY2021"). This was mainly due to a decrease in sales of the processed food products in local markets as the market conditions were impacted by the Covid-19 pandemic and the electricity curtailment in Fuzhou during the period.

In tandem with the decrease in revenue, gross profit decreased by RMB0.5 million, from RMB3.4 million in 1HFY2021 to RMB2.9 million in 1HFY2022. Gross profit margin decreased from 10.9% in 1HFY2021 to 10.2% in 1HFY2022, mainly as a result of changes in sales of product mix.

Income derived from investment properties increased by RMB0.7 million or 18.3% to RMB4.5 million in 1HFY2022 from RMB3.8 million in 1HFY2021. This primarily arose from an increase in space rented out during the financial period.

Other operating income decreased by RMB3.4 million or 70.4% from RMB4.8 million in 1HFY2021 to RMB1.4 million in 1HFY2022. This was primarily attributable to the absence of gain on disposal of the property, plants and equipment amounting to RMB3.6 million recorded in 1HFY2021. Other operating income items recorded in 1HFY2022 comprised interest income, government subsidies and other miscellaneous income.

Selling and distribution expenses increased by RMB0.2 million to RMB0.8 million in 1HFY2022 from RMB0.6 million in 1HFY2021. This was mainly due to an increase in transportation cost during the financial period.

Administrative expenses decreased by RMB0.2 million or 2.6% to RMB7.1 million in 1HFY2022 from RMB7.3 million in 1HFY2021, due mainly to a decrease in legal and professional fees incurred during the financial period.

Other operating expenses decreased by RMB2.4 million to RMB0.2 million in 1HFY2022 from RMB2.6 million in 1HFY2021. This was primarily due to a lower foreign currency exchange loss as depreciation of the US Dollar against the Renminbi in 1HFY2022 was less significant as compared to the same period last year.

Finance costs remained constant at RMB0.1 million in both 1HFY2022 and 1HFY2021.

Net profit decreased by RMB0.7 million to RMB0.7 million in 1HFY2022 as compared to RMB1.4 million in 1HFY2021.

Review of Balance Sheet

As at 31 December 2021, non-current assets decreased by RMB1.0 million to RMB283.1 million as compared to RMB284.1 million as at 30 June 2021. The decrease was mainly attributable to amortization of intangible assets and depreciation of right-of-use assets and property, plants and equipment recorded in 1HFY2022. The decrease was partly offset by capital expenditure incurred for construction of warehouse of our wholly-owned subsidiary, Nanping Yuanwang Food Co., Ltd during the financial period.

Current assets decreased by RMB0.8 million from RMB54.4 million as at 30 June 2021 to RMB53.6 million as at 31 December 2021. The decrease primarily arose from lower inventories and trade receivables as a result of lower sales orders from food processing business during the period. The decrease in current assets was partially offset by increases in cash and bank balances, and prepayments were made to contractors for reconstruction and renovation of factory and investment properties in Fuzhou.

Non-current liabilities decreased by RMB0.3 million to RMB37.7 million as at 31 December 2021 from RMB38.0 million as at 30 June 2021, due mainly to repayments of bank loans.

Current liabilities decreased by RMB2.2 million or 11.0%, to RMB17.9 million as at 31 December 2021 from RMB20.1 million as at 30 June 2021, due mainly to repayments of bank loans during 1HFY2022.

Total equity increased by RMB0.6 million from RMB280.5 million as at 30 June 2021 to RMB281.1 million as at 31 December 2021, mainly arose from the net profit after tax of RMB0.7 million recorded in 1HFY2022.

Review of Cash Flow Statement

Q2FY2022 vs Q2FY2021

For the three months ended 31 December 2021, the Group recorded net cash generated from operating activities of RMB1.4 million in Q2FY2022. This mainly comprised cash generated from operating activities before changes in working capital of RMB1.1 million and working capital inflow of RMB0.3 million. The working capital inflow arose from an increase in trade and other payables, which were partially offset by higher inventories and prepayments.

Net cash used in investing activities of RMB0.5 million in Q2FY2022 was attributable to capital expenditure incurred for construction of warehouse of our subsidiary in Nanping.

There was a net cash outflow of RMB2.1 million in financing activities in Q2FY2022 due to repayments of bank loans and interest.

1HFY2022 vs 1HFY2021

For the six months ended 31 December 2021, there was net cash generated from operating activities of RMB4.3 million in 1HFY2022. This included cash generated from operating activities before changes in working capital of RMB2.3 million, working capital inflow of RMB1.9 million and net cash inflow of RMB0.1 million from interest received and income tax paid. The working capital inflow was mainly attributable to a decrease in inventories which were partially offset by higher prepayments and lower trade and other payables.

Net cash used in investing activities of RMB0.5 million in 1HFY2022 arose from capital expenditure incurred for construction of warehouse of our subsidiary in Nanping.

Net cash outflow of RMB2.2 million in financing activities in 1HFY2022 was primarily due to repayments of bank loans and interest.

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

There were no forecast or prospect statement previously disclosed.

4. 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.

No applicable

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

Not applicable

5. 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.

Due to the ongoing Covid-19 pandemic, the Group continues to face challenging market conditions. As such, we will continue to explore new customers in both domestic and overseas markets in order to cushion the impact of the decrease in overall sales. In addition, we have been actively marketing

and promoting the leasing of our investment properties so as to achieve steady recurring income and growth, which is evidenced by the higher income from investment properties in 1HFY2022.

As announced on 7 October 2021 and as mentioned in the result announcement dated 29 October 2021, the production capacity of the Company's wholly owned subsidiary, Fujian Wangsheng Industrial Co. Ltd. are restricted by the ongoing electricity curtailment or rationing policy of the government of the People's Republic of China. As a result, the Company expects the Group's financial performance for the second quarter and third quarter of FY2022 to be adversely affected.

To cope with the situation under electricity curtailment, the Group will continue to make use of its own power generators to maintain the production capacity. Meanwhile, it has also adjusted the production plans. The Board is monitoring the evolving situation and will make further announcement(s) as and when necessary.

In addition, as announced on 19 January 2022, the Group's wholly-owned subsidiary, Zhangping Fengwang Agricultural Products Co Ltd. ("Fengwang"), has received a notification from the Zhangping Municipal government of its plan to acquire Fengwang's land and buildings located at Luoan Food Industrial Park Houfu Village, Guilin Street, Zhangping City, Fujian Province, the People's Republic of China, for purposes of redevelopment planning. The Company will provide further updates as and when there are further developments in relation to the above.

Notwithstanding the energy restriction and the proposed acquisition of land and buildings mentioned above, the Group will continue to exercise stringent cost management, build rapport and improve business relationships with major customers. The Management believes and are making efforts in building a stronger foundation and creating a sustainable growth for the Group.

Update on Suspension

The Company refers to its announcements on 4 September 2017, 5 September 2017, 6 September 2017, 27 September 2017, 17 November 2017, 12 February 2018, 29 March 2018, 1 April 2018, 24 July 2018, 21 August 2018, 12 September 2018, 31 October 2018, 28 January 2019 and 9 February 2019, and the subsequent updates contained in paragraph 10 of its results announcements on 28 August 2020, 30 October 2020, 9 February 2021 and 14 May 2021 and paragraph 5 of its results announcement dated 28 August 2021 and 29 October 2021 ("**Suspension Related Announcements**") in relation to its application for voluntary suspension and related events following the suspension. Unless otherwise specified, all capitalised terms shall have the same meaning ascribed to them in the Suspension Related Announcements.

The Company wishes to update as follows:

1. The Internal Control Review Report submitted to the Audit Committee and SGX on 2 August 2019 has been cleared by SGX on 1 December 2021 and signed off on 3 December 2021.
2. In relation to the efforts to appoint a mid-tier audit firms to provide a second audit opinion on the financial statements for FY2021, the Company has approached several mid-tier audit firms via emails, calls or face-to-face meetings to engage the second auditor for the financial year ended 30 June 2021 based on SGX's requirements. However, the Company was unable to get any of the mid-tier audit firms to accept the appointment. In view of this, further instruction from SGX is pending.
3. The AC has been working closely with the Board and management on the improvement of the group's finance function, controls and oversight. These include increasing the headcounts in Finance Department, tightening controls on cash management, fine-tuning the investment policies and procedures, strengthening the controls and protection of data and IT system, and implementing further internal audit procedures that require attention of the Board.
4. The Company resubmitted its application of lifting the trading suspension on 11 November 2021. The Company and the Audit Committee will continue to engage SGX proactively to work towards the lifting of the suspension and the resumption of trading. The Company would make the necessary announcements on SGXNET as and when there is any material development.

6. If a decision regarding dividend has been made

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

None.

(b) (i) Amount per share

Not Applicable.

(ii) Previous corresponding period

Not Applicable.

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

Not Applicable.

(d) The date the dividend is payable

Not Applicable.

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

Not Applicable

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

In view of a huge uncertainty on how long the pandemic will last, the operating environment is therefore expected to remain challenging in the months ahead and it is critical for the Group to conserve its cash resources so as to sustain its business operations, Therefore, the Board of Directors of the Company does not recommend that a dividend be paid for the period ended 31 December 2021. The Company will use its best effort to ensure dividend paid out in future.

8. Interested party transactions

There were no interested person transactions during the financial year ended 31 December 2021.

The Company does not have a general mandate from shareholders for interested person transactions.

9. Undertaking Confirmation Statement from all its directors and executive officers under Rule 720(1)

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) of the Listing Manual.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 31 December 2021 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

CHEN QIUHAI
EXECUTIVE DIRECTOR AND CEO

CHEN YING
EXECUTIVE DIRECTOR

11 February 2022