



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

**The condensed consolidated interim financial statements**  
**For the three months ended 30 September 2022**

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

	Note	Group		
		3 months period ended 30 September		
		2022	2021	Increase /
		RMB'000	(Unaudited) RMB'000	(Decrease) %
Revenue	5	13,035	13,287	(1.9)
Cost of sales		(11,871)	(11,810)	0.5
Gross profit		1,164	1,477	(21.2)
Revenue from investment properties	5	2,828	2,263	25.0
Other operating income	6	895	853	4.9
Selling and distribution expenses		(499)	(253)	97.2
Administrative expenses	6	(3,382)	(3,738)	(9.5)
Other operating expenses		(7)	(32)	(78.1)
Finance costs	6	(25)	(45)	(44.4)
Profit before taxation		974	525	85.5
Taxation	7	-	(74)	(100.0)
Net profit for the period		974	451	n.m.
Total comprehensive income for the period attributable to: Owners of the Company		974	451	n.m.
Earnings per share				
- Basic and diluted (RMB cent)	8	0.6	0.3	

n.m.: not meaningful

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

		<b>Group</b>		<b>Company</b>	
		<b>30 September 2022</b>	<b>30 June 2022</b>	<b>30 September 2022</b>	<b>30 June 2022</b>
		<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>					
<b>Non-current assets</b>	Note				
Property, plant and equipment	11	57,713	58,841	-	-
Intangible assets	12	25	31	-	-
Investment properties	13	235,236	235,236	7,685	7,685
Investments in subsidiaries	10	-	-	149,499	147,780
<b>Total non-current assets</b>		<b>292,974</b>	<b>294,108</b>	<b>157,184</b>	<b>155,465</b>
<b>Current assets</b>					
Inventories		10,967	15,712	-	-
Trade and other receivables		15,677	9,401	169,032	171,415
Prepayments		51	61	51	61
Cash and bank balances		14,481	17,788	842	161
		41,176	42,962	169,925	171,637
<b>Total assets</b>		<b>334,150</b>	<b>337,070</b>	<b>327,109</b>	<b>327,102</b>
<b>Equity</b>					
Share capital	15	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		43,782	43,782	-	-
Other reserve		29,349	29,349	-	-
Accumulated losses		(184,794)	(185,768)	(41,213)	(42,166)
<b>Total equity attributable to owners of the Company</b>		<b>285,012</b>	<b>284,038</b>	<b>283,013</b>	<b>282,060</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Bank borrowings	14	3,523	3,674	3,523	3,674
Deferred tax liabilities		31,317	31,317	-	-
<b>Total non-current liabilities</b>		<b>34,840</b>	<b>34,991</b>	<b>3,523</b>	<b>3,674</b>
<b>Current liabilities</b>					
Trade and other payables		13,810	17,714	40,085	41,041
Bank borrowings	14	488	327	488	327
<b>Total current liabilities</b>		<b>14,298</b>	<b>18,041</b>	<b>40,573</b>	<b>41,368</b>
<b>Total liabilities</b>		<b>49,138</b>	<b>53,032</b>	<b>44,096</b>	<b>45,042</b>
<b>Total equity and liabilities</b>		<b>334,150</b>	<b>337,070</b>	<b>327,109</b>	<b>327,102</b>

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

	Group						
	Share capital RMB'000	Share-based payment reserve RMB'000	Statutory reserve RMB'000	Revaluation reserve RMB'000	Other reserve non distributable RMB'000	Accumulated losses RMB'000	Total equity RMB'000
<b><u>FY2023</u></b>							
Balance at 1 July 2022	322,210	2,016	72,449	43,782	29,349	(185,768)	284,038
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	974	974
Balance as at 30 September 2022	322,210	2,016	72,449	43,782	29,349	(184,794)	285,012
<b><u>FY2022 (Unaudited)</u></b>							
Balance at 1 July 2021	322,210	2,016	72,449	42,805	29,349	(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	2,016	72,449	42,805	29,349	(187,905)	280,924

	Company			
	Share capital RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
<b><u>FY2023</u></b>				
Balance as at 1 July 2022	322,210	2,016	(42,166)	282,060
Profit for the financial period, representing total comprehensive income for the financial period	-	-	953	953
Balance as at 30 September 2022	322,210	2,016	(41,213)	283,013
<b><u>FY2022 (Unaudited)</u></b>				
Balance as at 1 July 2021	322,210	2,016	(31,915)	292,311
Loss for the financial period, representing total comprehensive expense for the financial period	-	-	(774)	(774)
Balance as at 30 September 2021	322,210	2,016	(32,689)	291,537

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	3 months ended 30 September	
	2022	2021
	RMB'000	(Unaudited) RMB'000
<b>Cash flows from operating activities:</b>		
Profit before taxation	974	525
Adjustments for:		
Depreciation of property, plant and equipment	823	776
Amortisation of intangible assets	6	6
Interest expense	25	45
Interest income	(15)	(62)
Operating cash flow before working capital changes	1,813	1,290
Working Capital Changes:		
Inventories	4,745	2,732
Trade and other receivables	(6,282)	1,214
Trade and other payables	(3,780)	(2,426)
Cash (used in)/generated from operations	(3,504)	2,810
Interest received	15	62
<b>Net cash (used in)/generated from operating activities</b>	<b>(3,489)</b>	<b>2,872</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(36)	(3)
<b>Net cash used in from investing activities</b>	<b>(36)</b>	<b>(3)</b>
<b>Cash flows from financing activities:</b>		
Repayment of bank borrowings - principal	(114)	(77)
Repayment of bank borrowings - interest	(25)	(45)
<b>Net cash used in financing activities</b>	<b>(139)</b>	<b>(122)</b>
Net (decrease)/increase in cash and cash equivalents	(3,664)	2,747
Cash and cash equivalents at beginning of the financial period	17,788	29,121
Effect of foreign exchange rate changes on cash and cash equivalents	357	29
<b>Cash and cash equivalents at end of the financial period</b>	<b>14,481</b>	<b>31,897</b>

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2022

### 1. General Information

Yamada Green Resources Limited (the “Company”) is a public limited liability company and domiciled in the People’s Republic of China (“PRC”). 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 and assumed the present name of Yamada Green Resources Limited. The Company was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 October 2010.

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, PRC.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are:

- Production and sales of processed food products;
- Sales of edible fungi; and
- Rental revenue from investment properties.

### 2. Basis of preparation

The condensed consolidated interim financial statements of the Group has been prepared on a condensed basis in accordance with the Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 Interim Financial Reporting. They 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 consolidated financial statements as at and for the year ended 30 June 2022.

The condensed consolidated interim financial statements, which do not include the full disclosures of the type normally included in full annual financial statements prepared in accordance with the SFRS(I)s, are to be read in conjunction with the last audited financial statements for the year ended 30 June 2022.

Accounting policies and methods of computation used in the condensed consolidated interim financial statements are consistent with those applied in the financial statements for the year ended 30 June 2022, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standard as set out in Note 2.1.

The condensed consolidated interim financial statements is 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.

#### 2.1 Adoption of new and amended standards

A number of amendments to Standards have become applicable for the current reporting period:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 3	<i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022

Amendments to SFRS(I) 1-37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020:		
- Amendments to SFRS(I) 9	<i>Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities</i>	1 January 2022
- Amendments to SFRS(I) 16	<i>Lease Incentives</i>	1 January 2022
- Amendments to SFRS(I) 1-41	<i>Taxation in Fair Value Measurements</i>	1 January 2022

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards, where applicable.

### 3. Use of judgements and estimates

In preparing the condensed interim consolidated 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 2022.

#### Measurement of fair values

A number of the Group’s accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the group audit committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



#### 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.

1 July 2022 to 30 September 2022	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
<b>Revenue</b>				
- Sale of goods	-	13,035	-	13,035
- Revenue from investment properties	2,828	-	-	2,828
<b>Results</b>				
Segment results	2,214	(439)	(791)	984
Interest income	-	15	-	15
Finance costs	(25)	-	-	(25)
Profit/(loss) before taxation	2,189	(424)	(791)	974
Taxation	-	-	-	-
Profit/(loss) after taxation	2,189	(424)	(791)	974
Other segment items				
Capital expenditure				
- property, plant and equipment	-	36	-	36
Depreciation and amortisation	-	(829)	-	(829)
<b>Segment assets</b>	236,255	91,519	895	328,669
<b>Segment liabilities</b>	4,733	7,604	1,521	13,858
<b>1 July 2021 to 30 September 2021 (Unaudited)</b>	<b>Investment properties RMB'000</b>	<b>Processed food products RMB'000</b>	<b>Corporate RMB'000</b>	<b>Total RMB'000</b>
<b>Revenue</b>				
- Sale of goods	-	13,287	-	13,287
- Revenue from investment properties	2,263	-	-	2,263
<b>Results</b>				
Segment results	1,271	(43)	(720)	508
Interest income	-	62	-	62
Finance costs	(22)	(23)	-	(45)
Profit/(loss) before taxation	1,249	(4)	(720)	525
Taxation	(74)	-	-	(74)
Profit/(loss) after taxation	1,175	(4)	(720)	451
Other segment items				
Capital expenditure				
- property, plant and equipment	-	3	-	3
Depreciation and amortisation	-	(782)	-	(782)
<b>Segment assets</b>	241,801	90,040	292	332,133
<b>Segment liabilities</b>	4,317	11,340	2,116	17,773

**5. Segment and revenue information (Cont'd)****Geographical Information**

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

	<b>Group</b>	
	<b>3 months ended 30 September</b>	
	<b>FY2022</b>	<b>FY2021</b>
		<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Sales of goods		
- China (domicile)	295	1,048
- Japan	12,740	12,239
Total	13,035	13,287
Revenue from investment properties		
- China (domicile)	2,767	2,203
- Singapore	61	60
Total	2,828	2,263

**Timing of revenue recognition**

<b>Group</b>	<b>3 months ended 30 September 2022</b>		
	<b>At a</b>		
	<b>point in time</b>	<b>Over time</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Sales of goods	13,035	-	13,035
Revenue from investment properties	-	2,828	2,828
	13,035	2,828	15,863

  

	<b>3 months ended 30 September 2021</b>		
	<b>(Unaudited)</b>		
	<b>At a</b>		
	<b>point in time</b>	<b>Over time</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Sales of goods	13,287	-	13,287
Revenue from investment properties	-	2,263	2,263
	13,287	2,263	15,550

**6. Profit before taxation****6.1 Significant items**

	<b>Group</b>		
	<b>3 months ended 30 September</b>		
	<b>2022</b>	<b>2021</b>	<b>Increase /</b>
		<b>(Unaudited)</b>	<b>(Decrease)</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
Amortisation of intangible assets	(6)	(6)	-
Depreciation of property, plant and equipment	(823)	(776)	6.1
Interest expense	(25)	(45)	(44.4)
<i>Included in other operating income:-</i>			
Government subsidies	-	172	(100.0)
Interest income	15	62	(75.8)
Foreign currency exchange gain, net	791	121	n.m.

n.m.: not meaningful

**6.2 Related party transactions**

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

**7. Taxation**

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

	<b>Group</b>	
	<b>3 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
		<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current income tax expense	-	74
Total income tax	-	74

**8. Earnings per share**

	<b>Group</b>	
	<b>3 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
		<b>(Unaudited)</b>
Net profit after tax for the period (RMB'000)	974	451
Basic earning per share (RMB cents)	0.6	0.3
Diluted earning per share (RMB cents)	0.6	0.3

Earnings per share is calculated based on the Group's net profit/ loss after tax for the period divided by the total number of issued share capital of the Company amounting to 176,798,164 (30 September 2021: 176,798,164) shares for the period under review.

In the current and previous financial period, diluted earnings per share are the same as basic earnings per share as the Group does not have any dilutive potential ordinary shares and issuance of ordinary shares for less than the average market price of the ordinary shares.

**9. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 September</b>	<b>30 June</b>	<b>30 September</b>	<b>30 June</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
Net Asset Value per share (RMB cents)	161.2	160.7	160.1	159.5

The net asset value per ordinary share of the Group and the Company as at 30 September 2022 and 30 June 2022 was calculated based on the total number of issued share capital of the Company of 176,798,164 as at 30 September 2022 and 30 June 2022 respectively.

**10. Investment in Subsidiaries**

	<b>As at 30 September 2022 RMB'000</b>	<b>As at 30 June 2022 RMB'000</b>
The Company		
Unquoted equity investments, at cost	163,975	163,975
<u>Impairment loss on investment in subsidiaries</u>		
Balance at beginning of period/year	(16,195)	(10,218)
Impairment loss for the period/year	-	(5,977)
Reversal of impairment loss for the period/year	1,719	-
	(14,476)	(16,195)
Balance at end of period/year	149,499	147,780

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
		30 Sept 2022	30 June 2022	30 Sept 2022	30 June 2022	
		RMB'000	RMB'000	%	%	
<u>Held by the Company</u>						
Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng") (福建望盛实业有限公司)	The People's Republic of China ("PRC")	149,762	149,762	100	100	Production, sales of processed food products and rental revenue from investment properties
Nanping Yuanwang Foods Co., Ltd ("Yuanwang") (南平市元旺食品有限公司)	PRC	14,213	14,213	100	100	Rental revenue from investment properties
<u>Held by Fujian Wangsheng Industrial Co., Ltd.</u>						
Zhangping Fengwang Agricultural Products Co., Ltd ("Fengwang") (漳平市丰旺农产品有限公司)	PRC	-	-	100	100	Sales of edible fungi and rental revenue from investment properties
Feng Zhi Qiu International Holdings Co., Ltd. (Hong Kong Special Administrative Region) ("Fengzhiqiu") (丰之秋国际控股有限公司)	Hong Kong	-	-	100	100	Sales of processed food products
		163,975	163,975			

**11. Property, plant and equipment**

<b>FY2023</b> The Group	<b>Leasehold buildings and structural improvements RMB'000</b>	<b>Land use rights RMB'000</b>	<b>Motor vehicles RMB'000</b>	<b>Office equipment RMB'000</b>	<b>Plant and machinery RMB'000</b>	<b>Fixtures and fittings RMB'000</b>	<b>Construction-in- progress RMB'000</b>	<b>Total RMB'000</b>
Balance at 1 July 2022	40,814	19,157	384	25	6,416	273	-	67,069
Additions	-	-	-	-	32	4	-	36
Other adjustments	-	-	-	-	(341)	-	-	(341)
Balance at 30 September 2022	40,814	19,157	384	25	6,107	277	-	66,764
<u>Accumulated depreciation</u>								
Balance at 1 July 2022	1,535	5,957	214	24	318	180	-	8,228
Depreciation/amortisation during the period	591	135	17	1	68	11	-	823
Balance at 30 September 2022	2,126	6,092	231	25	386	191	-	9,051
<b>FY2022 (Unaudited)</b>								
Balance at 1 July 2021	30,423	19,017	384	83	1,074	206	140	51,327
Additions	-	-	-	-	-	3	-	3
Balance at 30 September 2021	30,423	19,017	384	83	1,074	209	140	51,330
<u>Accumulated depreciation</u>								
Balance at 1 July 2021	1,534	5,957	146	60	220	101	-	8,018
Depreciation/amortisation during the period	586	135	17	2	25	11	-	776
Balance at 30 September 2021	2,120	6,092	163	62	245	112	-	8,794
Carrying amount:								
Balance at 30 September 2022	38,688	13,065	153	-	5,721	86	-	57,713
Balance at 30 September 2021	28,303	12,925	221	21	829	97	140	42,536

**11. Property, plant and equipment (Cont'd)**

Included in property, plant and equipment are rights-of-use assets of:

The Group	30 September 2022 RMB'000	30 June 2022 RMB'000
<u>Net book value</u>		
- leasehold buildings	30,322	30,807
- land use rights	13,065	13,200
	43,387	44,007

As at 30 September 2022, 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 2022 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 costs to sell as determined using income approach, which is a fair value hierarchy Level 3 measurement.

There is much uncertainty in which the COVID-19 pandemic will continue to persist with implications of higher levels of estimation uncertainty and judgement required due to the changes in market and economic conditions which could give rise to material valuation uncertainty.

**12. Intangible assets**

The Group	30 September 2022 RMB'000	30 June 2022 RMB'000
<u>Cost</u>		
Balance at beginning and end of period/year	120	120
<u>Accumulated amortisation</u>		
Balance at beginning of period/year	89	65
Amortisation for the period/year	6	24
Balance at end of period/year	95	89
Net book value	25	31

Intangible assets are relating to computer software acquired, which are not an integral part of related hardware. The assets are capitalised 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.

**13. Investment properties**

<b>FY2023</b>			
The Group	<b>Leasehold buildings</b>	<b>Land use rights</b>	<b>Total</b>
<b>3 months ended 30 September 2022</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Balance at beginning and end of the financial period	224,136	11,100	235,236
<b>FY2022</b>			
The Group	<b>Leasehold buildings</b>	<b>Land use rights</b>	<b>Total</b>
<b>30 June 2022</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Balance at beginning	229,867	10,900	240,767
Additions	6,768	-	6,768
Transfer to property, plant and equipment	(11,611)	-	(11,611)
Fair value changes	(888)	200	(688)
End of the financial year	224,136	11,100	235,236

**13. Investment properties (Cont'd)**

The Group's investment properties 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 30 September 2022. However, the Group had taken into account the factors including 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 30 September 2022.

The fair value of the investment properties as at financial year ended 30 June 2022 was based on valuations performed by independent professional valuers, Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. and Savills Valuation and Professional Services Limited.

The valuers have considered possible 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 2022 (30 June 2021 - 4.5% - 5.5%).

In the case of the direct comparable method, it 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.

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.

There is much uncertainty in which the COVID-19 pandemic will continue to persist with implications of higher levels of estimation uncertainty and judgement required due to the changes in market and economic conditions which could give rise to material valuation uncertainty.

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

As at 30 September 2022		As at 30 June 2022 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
488	NA	327	NA

**Amount repayable after one year**

As at 30 September 2022		As at 30 June 2022 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
3,523	NA	3,674	NA

**14. Borrowings (Cont'd)****Details of any collateral**

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.

As at 30 September 2022, the Group's outstanding loan amount was approximately RMB4.0 million, of which approximately RMB0.5 million is repayable within 1 year and the rest of the loan amount is repayable after 1 year.

**15. Share capital**

	<b>30 September 2022</b>	<b>30 June 2022</b>
	<b>Number of shares '000</b>	<b>Number of shares '000</b>
<b>Number of issued shares</b>		
Balance at beginning and at end of period/year	<u>176,798</u>	<u>176,798</u>
<b>Ordinary shares issued and fully paid</b>	<b>RMB'000</b>	<b>RMB'000</b>
Balance at beginning and at end of period/year	<u>322,210</u>	<u>322,210</u>

The Company did not hold any treasury shares as at 30 September 2022 and 31 June 2022.

The Company did not have any outstanding convertibles and subsidiary holdings as at 30 September 2022 and 30 June 2022.

**16. Subsequent events**

On 1 November 2022 and 4 November 2022, the Company announced that due to the breakout of Covid-19 infections in Fuzhou, China, especially in Minhou County, the production capacity of a wholly-owned subsidiary, Fujian Wangsheng Industrial Co. Ltd. ("FJWS") of the Group has been affected as follows:

- Restriction of movement of people in and out of the industrial park where Wangsheng's factory is located; and
- Restriction of movement of all vehicles in and out of the aforesaid industrial park saved for vehicles with passes approved by the local government.

In view of the above, the production at Wangsheng's factory and its delivery to customers have been adversely affected as follows:

- Disruption of work and production hours due to arrangements for the daily testing of its employees;
- Wangsheng's employees outside the restricted area are not allowed to enter the factory and employees in the factory are not allowed to leave; and
- Vehicles are not allowed in to deliver raw material to Wangsheng or make deliveries to customers.

The Board is monitoring the evolving situation and will make the further announcement(s) as and when necessary.



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

The Group's figures for the three-month period ended 30 September 2022 have been reviewed by the Company's auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The auditors' review report is issued in relation to the Group's Condensed Consolidated Interim Financial Statements which is attached to the financial statement announcement. There are no qualifications or emphasis of matters in the auditor's review report.

**2. Review of Performance****Q1FY2023 vs Q1FY2022**

Revenue derived from the food processing business was RMB13.0 million in the first quarter ended 30 September 2022 ("Q1FY2023"). The revenue decreased by RMB0.3 million or 1.9% as compared to RMB13.3 million in the first quarter ended 30 September 2021 ("Q1FY2022"). This was mainly due to lower sales of the processed food products as a result of a decline in demand in the domestic market.

Gross profit decreased by RMB0.3 million to RMB1.2 million in Q1FY2023 from RMB1.5 million in Q1FY2022. Gross profit margin fell from 11.1% in Q1FY2022 to 8.9% in Q1FY2023 due to inflationary pressure on direct cost of production.

Income generated from investment properties increased by RMB0.5 million or 25.0% to RMB2.8 million in Q1FY2023 from RMB2.3 million in Q1FY2022. The increase was mainly due to an increase in rental rates secured during the financial period.

Selling and distribution expenses increased by RMB0.2 million or 97.2% to RMB0.5 million in Q1FY2023 from RMB0.3 million in Q1FY2022, which was primarily due to increase in custom fee and transportation cost.

Administrative expenses decreased by RMB0.3 million or 9.5% to RMB3.4 million in Q1FY2023 from RMB3.7 million in Q1FY2022 due to lower staff costs and welfare costs on the back of cost reduction initiatives.

The Group recorded finance costs of RMB0.03 million and RMB0.05 million in Q1FY2023 and Q1FY2022 respectively. The lower finance cost was in line with the decrease in bank borrowings.

As a result of the above mentioned, net profit for Q1FY2023 increased by RMB0.5 million to RMB1.0 million as compared to RMB0.5 million in Q1FY2022.

**Review of Balance Sheet**

As at 30 September 2022, non-current assets decreased by RMB1.1 million to RMB293.0 million as compared to RMB294.1 million as at 30 June 2022. The decrease was primarily attributable to amortisation of intangible assets and depreciation of property, plant and equipment incurred during Q1FY2023.

Current assets decreased by RMB1.8 million or 4.2%, from RMB43.0 million as at 30 June 2022 to RMB41.2 million as at 30 September 2022. The decrease mainly arose from lower inventories as a result of a decline in sales orders from our customers of food processing business during the period and decrease in cash and bank balances as a result of payables repayment.

Non-current liabilities remained constant at RMB35.0 million as at 30 September 2022 and 30 June 2022.

**Review of Balance Sheet (Cont'd)**

Current liabilities decreased by RMB3.7 million or 20.6% to RMB14.3 million as at 30 September 2022 from RMB18.0 million as at 30 June 2022. This was primarily due to repayment of payable to suppliers and contractors for refurbishment work to the leasehold building.

Total equity increased by RMB1.0 million from RMB284.0 million as at 30 June 2022 to RMB285.0 million as at 30 September 2022. The movement mainly arose from the net profit after tax of RMB1.0 million recorded in Q1FY2023.

**Review of Cash Flow Statement****Q1FY2023 vs Q1FY2022**

For Q1FY2023, we recorded net cash used in operating activities of RMB3.5 million. This was mainly attributable to higher receivables and lower payables, which was partially offset by lower inventories.

Net cash used in investing activities of RMB0.04 million in Q1FY2023 was primarily due to capital expenditures incurred for property, plant and equipment.

There was a net cash outflow of RMB0.1 million in financing activities in Q1FY2023 primarily due to repayment of bank borrowings 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.**

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

**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.**

The Group continues to face strong headwinds and inflationary cost pressures as heightened geopolitical tensions and the worsening of the COVID-19 pandemic continue to threaten to China and the global economy.

On 1 November 2022 and 4 November 2022, the Company announced that due to the breakout of Covid-19 infections in Fuzhou, China, especially in Minhou County, the production capacity of a wholly-owned subsidiary, Fujian Wangsheng Industrial Co. Ltd. ("FJWS") of the Group has been affected as follows:

- Restriction of movement of people in and out of the industrial park where Wangsheng's factory is located; and
- Restriction of movement of all vehicles in and out of the aforesaid industrial park saved for vehicles with passes approved by the local government.

In view of the above, the production at Wangsheng's factory and its delivery to customers have been adversely affected as follows:

- Disruption of work and production hours due to arrangements for the daily testing of its employees;
- Wangsheng's employees outside the restricted area are not allowed to enter the factory and employees in the factory are not allowed to leave; and
- Vehicles are not allowed in to deliver raw material to Wangsheng or make deliveries to customers.

As a result, the Company expects the Group's financial performance for the second quarter and third quarter of the financial year ending 30 June 2023 to be adversely affected. The Board is monitoring the evolving situation and will make further announcement(s) as and when necessary.

Overall, the Group will constantly review its operational structure to drive operational efficiency and enable the Group to survive in the complex political and economic environment.

**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 the 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 30 September 2022. 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 30 September 2022.

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 officer (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 three month period ended 30 September 2022 to be false or misleading in any material aspect.

**ON BEHALF OF THE BOARD**

**CHEN QIUHAI**  
**EXECUTIVE DIRECTOR AND CEO**

**CHEN YING**  
**EXECUTIVE DIRECTOR**

**8 November 2022**