

Condensed Consolidated Interim Financial Statements  
**Yamada Green Resources Limited**  
**and its subsidiaries**

Three months ended 30 September 2022

# Independent auditor's report on review of condensed consolidated interim financial statements

The Board of Directors  
Yamada Green Resources Limited

## Introduction

We have reviewed the accompanying statement of financial position of Yamada Green Resources Limited (the "Company") and the condensed consolidated statement of financial position of the Company and its subsidiaries (the "Group") as at 30 September 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period then ended and certain explanatory notes (the "Condensed Consolidated Interim Financial Statements"). Management is responsible for the preparation and presentation of this Condensed Consolidated Interim Financial Statements in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Consolidated Interim Financial Statements based on our review.

## Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the Condensed Consolidated Interim Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Statements is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.

# Independent auditor's report on review of condensed consolidated interim financial statements (Cont'd)

## Other Matters

### (a) Prior periods unaudited / unreviewed

The condensed consolidated interim financial statements of Yamada Green Resources Limited for the three months ended 30 September 2021 were neither audited nor reviewed. The condensed consolidated statement of profit or loss and other comprehensive income and the condensed consolidated statement of changes in equity for the three months ended 30 September 2021 were therefore marked as unaudited. The corresponding figures for 30 June 2022 were previously audited by us and we issued an unmodified audit opinion on 3 October 2022.

### (b) Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Consolidated Interim Financial Statements for the purpose of assisting the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its Condensed Consolidated Interim Financial Statements for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusion we have reached in our report.



Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants

Singapore, 8 November 2022

## Condensed consolidated statements of financial position as at 30 September 2022

		The Company		The Group	
	Note	30 September 2022 RMB'000	30 June 2022 RMB'000	30 September 2022 RMB'000	30 June 2022 RMB'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	-	-	57,713	58,841
Intangible assets		-	-	25	31
Investment properties	5	7,685	7,685	235,236	235,236
Investments in subsidiaries	6	149,499	147,780	-	-
		157,184	155,465	292,974	294,108
<b>Current Assets</b>					
Inventories		-	-	10,967	15,712
Trade and other receivables		169,032	171,415	15,677	9,401
Prepayments		51	61	51	61
Cash and bank balances		842	161	14,481	17,788
		169,925	171,637	41,176	42,962
<b>Total assets</b>		<b>327,109</b>	<b>327,102</b>	<b>334,150</b>	<b>337,070</b>
<b>EQUITY</b>					
<b>Capital and Reserves</b>					
Share capital		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		(41,213)	(42,166)	(184,794)	(185,768)
<b>Total equity attributable to owners of the Company</b>		<b>283,013</b>	<b>282,060</b>	<b>285,012</b>	<b>284,038</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Bank borrowings	7	3,523	3,674	3,523	3,674
Deferred tax liabilities		-	-	31,317	31,317
		3,523	3,674	34,840	34,991
<b>Current Liabilities</b>					
Trade and other payables		40,085	41,041	13,810	17,714
Bank borrowings	7	488	327	488	327
		40,573	41,368	14,298	18,041
<b>Total liabilities</b>		<b>44,096</b>	<b>45,042</b>	<b>49,138</b>	<b>53,032</b>
<b>Total equity and liabilities</b>		<b>327,109</b>	<b>327,102</b>	<b>334,150</b>	<b>337,070</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

## Condensed consolidated statement of profit or loss and other comprehensive income

for the three months ended 30 September 2022

The Group	Note	Three months ended 30 September	
		2022 RMB'000	2021 RMB'000 (unaudited)
Revenue	8	13,035	13,287
Cost of sales		(11,871)	(11,810)
Gross profit		1,164	1,477
Revenue from rental income from investment properties	8	2,828	2,263
Other operating income		895	853
Selling and distribution expenses		(499)	(253)
Administrative expenses		(3,382)	(3,738)
Other operating expenses		(7)	(32)
Finance costs		(25)	(45)
Profit before taxation	9	974	525
Taxation	10	-	(74)
Net profit, and total comprehensive income for the period attributable to owners of the Company		974	451
		Cents RMB	Cents RMB
Earnings per share:			
- Basic	12	0.6	0.3
- Diluted	12	0.6	0.3

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

## Condensed consolidated statement of changes in equity for the three months ended 30 September 2022

The Group	Share capital RMB'000	Share- based payment reserve RMB'000	Statutory reserve RMB'000	Revaluation reserve -non- distributable RMB'000	Other reserve -non- distributable RMB'000	Accumulated losses RMB'000	Total equity RMB'000
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
At 30 September 2022	322,210	2,016	72,449	43,782	29,349	(184,794)	285,012

The Group	Share capital RMB'000	Share- based payment reserve RMB'000	Statutory reserve RMB'000	Revaluation reserve -non- distributable RMB'000	Other reserve -non- distributable RMB'000	Accumulated losses RMB'000	Total equity RMB'000
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
At 30 September 2021 (Unaudited)	322,210	2,016	72,449	42,805	29,349	(187,905)	280,924

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

## Condensed consolidated statement of cash flows

for the three months ended 30 September 2022

The Group	Three months ended 30 September	
	2022 RMB'000	2021 RMB'000 (Unaudited)
<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 flows before working capital changes	1,813	1,290
Decrease in inventories	4,745	2,732
(Increase)/decrease in trade and other receivables and prepayments	(6,282)	1,214
Decrease in trade and other payables	(3,780)	(2,426)
Cash (used in)/generated from operations	(3,504)	2,810
Income tax paid	15	62
Net cash (used in)/generated from operating activities	(3,489)	2,872
<b>Cash Flows from Investing Activity</b>		
Acquisition of property, plant and equipment	(36)	(3)
Net cash used in investing activity	(36)	(3)
<b>Cash Flows from Financing Activities</b>		
Repayment of bank borrowings - principal	(114)	(77)
Repayment of bank borrowings - interest	(25)	(45)
Net cash used in financing activities	(139)	(122)
Net (decrease)/increase in cash and cash equivalents	(3,664)	2,747
Cash and cash equivalents at beginning of period	17,788	29,121
Effect on foreign exchange of rate changes on cash and cash equivalents	357	29
Cash and cash equivalents at end of period	14,481	31,897

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

# **Notes to the condensed consolidated interim financial statements**

These notes form an integral part of the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements were authorised for issue by the directors on 8 November 2022.

## **1 Corporate information**

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 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, the People's Republic of China ("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.

## **2.2 Use of judgements and estimates**

In preparing the condensed consolidated 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 described in the last annual financial statements as at and for the financial 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.

## **2.2 Use of judgements and estimates (Cont'd)**

### **Measurement of fair values (Cont'd)**

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.

## **3 Seasonal operations**

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

**Yamada Green Resources Limited and its subsidiaries**  
**Notes to the condensed consolidated interim financial statements**  
**Three months ended 30 September 2022**

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**4 Property, plant and equipment (Cont'd)**

The Company

During the three months ended 30 September 2022, the Company has no acquisition of assets (30 September 2021 - Nil) and no disposal of assets (30 September 2021 - Nil).

The Group

	Leasehold buildings and structural improvements RMB'000 (At valuation)	Land use rights RMB'000 (At valuation)	Motor vehicles RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Fixtures and fittings RMB'000	Construction -in-progress RMB'000	Total RMB'000
<b>At 30 June 2022</b>								
At Valuation/Cost	40,814	19,157	384	25	6,416	273	-	67,069
Accumulated depreciation and impairment loss	(1,535)	(5,957)	(214)	(24)	(318)	(180)	-	(8,228)
Net book value at 30 June 2022	39,279	13,200	170	1	6,098	93	-	58,841
<b>3 months ended 30 September 2022</b>								
At Valuation/Cost								
At 1 July 2022	40,814	19,157	384	25	6,416	273	-	67,069
Additions	-	-	-	-	32	4	-	36
Other adjustments	-	-	-	-	(341)	-	-	(341)
At 30 September 2022	40,814	19,157	384	25	6,107	277	-	66,764
Accumulated depreciation and impairment loss								
At 1 July 2022	1,535	5,957	214	24	318	180	-	8,228
Depreciation for the period	591	135	17	1	68	11	-	823
At 30 September 2022	2,126	6,902	231	25	386	191	-	9,051
Net book value								
At 30 September 2022	38,688	13,065	153	-	5,721	86	-	57,713

#### **4 Property, plant and equipment (Cont'd)**

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

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

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.

#### **5 Investment properties**

	Leasehold buildings RMB'000	Total RMB'000
The Company		
<b>At 30 June 2022</b>		
At valuation		
Fair value at 30 June 2022	7,685	7,685

##### **3 months ended 30 September 2022**

At valuation		
At 1 July 2022	7,685	7,685
Fair value adjustments	-	-
Fair value at 30 September 2022	7,685	7,685

	Leasehold buildings RMB'000	Land use rights RMB'000	Total RMB'000
The Group			
<b>At 30 June 2022</b>			
At valuation			
Fair value at 30 June 2022	224,136	11,100	235,236

##### **3 months ended 30 September 2022**

At valuation			
At 1 July 2022	224,136	11,100	235,236
Fair value adjustments	-	-	-
Fair value at 30 September 2022	224,136	11,100	235,236

## **5 Investment properties (Cont'd)**

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 30 September 2022. 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 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%).

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.

## **6 Investments in subsidiaries**

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

During the financial year ended 30 June 2022, the Company assessed the carrying amounts of its investments in subsidiaries for indicators of impairment and carried out a review on the recoverable amounts of its investments in subsidiaries. Under this assessment, the Company recognised an impairment loss of RMB 5,977,000 for subsidiaries from the Investment Properties segment that the recoverable amount is higher than its carrying amount. During the financial period ended 30 September 2022, the Company has reversed impairment loss of RMB 1,719,000 for subsidiaries from the Investment Properties Segment where the recoverable amounts are higher than the carrying amounts.

**7 Bank borrowings**

	The Company		The Group	
	30 September 2022	30 June 2022	30 September 2022	30 June 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Secured bank loan:				
#1 Term loan	4,011	4,001	4,011	4,001
Amount repayable:				
Not later than one year	488	327	488	327
Later than one year and not later than five years	1,741	1,308	1,741	1,308
Later than five years	1,782	2,366	1,782	2,366
	3,523	3,674	3,523	3,674
	4,011	4,001	4,011	4,001

The term loan of S\$808,000 or equivalent to RMB 4,011,000 (30 June 2022 - S\$ 831,000 or equivalent to RMB 4,001,000) is repayable over 105 (30 June 2022 - 108) monthly instalments commencing from 13 July 2016 with a principal payment of S\$ 9,904 (30 June 2022 - S\$ 7,022) plus any applicable interest.

The Company has financial covenants attached to this term loan which relate to restriction of limits imposed on certain ratios to be maintained. During the period ended 30 September 2022, there are no known instances of any breach of covenants.

As at the end of the reporting period, the effective interest rate of the term loan ranges from 2.08% to 2.67% (30 June 2022 - 1.88% to 2.08) per annum.

**8 Revenue**

	Three months ended 30 September	
	2022	2021
	RMB'000	RMB'000 (unaudited)
The Group		
Processed food and food products - point in time	13,035	13,287
Revenue from rental income from investment properties - over time	2,828	2,263
	15,863	15,550

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point of time in the following major products lines and geographical regions. Revenue is attributed to countries by location of customers.

	At point in time RMB'000	Over time RMB'000	Total RMB'000
<b>3 months ended 30 September 2022</b>			
- Japan	12,740	-	12,740
- PRC	295	2,828	3,123
	13,035	2,828	15,863
<b>3 months ended 30 September 2021</b>			
- Japan	12,238	-	12,238
- PRC	1,049	2,263	3,312
	13,287	2,263	15,550



**9 Profit before taxation**

	Note	Three months ended 30 September	
		2022 RMB'000	2021 RMB'000 (unaudited)
The Group			
Profit before taxation has been arrived at after charging:			
Depreciation of property, plant and equipment	4	823	776
Amortisation of intangible assets		6	6
Interest expense		25	45
and crediting:			
Net foreign currency exchange gain		(791)	(121)
Government subsidies		-	(172)
Interest income		(15)	(62)

**10 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:

	Three months ended 30 September	
	2022 RMB'000	2021 RMB'000 (unaudited)
The Group		
Current taxation		
- Current financial period	-	74
Deferred taxation		
- Origination and reversal of temporary difference	-	-
	-	74
Tax expense	-	74

**11 Net asset value**

	The Company		The Group	
	30 September 2022 RMB'000	30 June 2022 RMB'000	30 September 2022 RMB'000	30 June 2022 RMB'000
Net asset value per ordinary share	160.1	159.5	161.2	160.7

**12 Earnings per share**

	Three months ended 30 September	
	2022	2021
	RMB'000	RMB'000
		(unaudited)
The Group		
Net profit attributable to equity holders of the Company	974	451
	'000	'000
Weighted average number of ordinary shares outstanding for the purpose of diluted earnings per share	176,798	176,798
	RMB	RMB
The Group		
Basic earnings per share (cents)	0.6	0.3
Diluted earnings per share (cents)	0.6	0.3

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.

**13 Statement of operations by segments**

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker.

A segment is a distinguishable component of the Group that is engaged with either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of respective entities within Group.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense.

There is no change from the prior periods in the measurement methods used to determine reported segment profit or loss.

Allocation basis and transfer pricing

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax expense.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transaction with third parties, if any.



### **13 Statement of operations by segments (Cont'd)**

#### Business segments

The Group is organised into the following business segments, namely:

#### Processed food products

The processed food products segment comprises processed vegetable products and dietary fibre food products (including konjac-based processed food products).

#### Investment properties

The rental income from investment properties constitutes an operating business segment in accordance with accounting standard SFRS(I) 1-40.

#### Corporate

Corporate comprises the Company, which principal activity is that of investment holding company.

#### **(a) Business segments**

The following tables present revenue, profit or loss and certain assets, liabilities and expenditure information for the Group for the three months ended 30 September 2022:

	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
<u>1 July 2022 to 30 September 2022</u>				
<b>Revenue</b>				
- Sale of goods	-	13,035	-	13,035
- Rental income from investment properties	2,828	-	-	2,828
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
Segment assets	236,255	91,519	895	328,669
Segment liabilities	4,733	7,604	1,521	13,858

**13 Statement of operations by segments (Cont'd)**

**(a) Business segments (Cont'd)**

The following tables present revenue, profit or loss and certain assets, liabilities and expenditure information for the Group for the three months ended 30 September 2021:

	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
<u>1 July 2021 to 30 September 2021 (Unaudited)</u>				
<b>Revenue</b>				
- Sale of goods	-	13,287	-	13,287
- Rental income from investment properties	2,263	-	-	2,263
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
Segment assets	241,801	90,040	292	332,133
Segment liabilities	4,317	11,340	2,116	17,773

**(b) Geographical segments**

The following table shows the distribution of the Group's sales based on geographical location of customers:

	<b>Three months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
The Group	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(unaudited)</b>
Revenue - sale of goods		
- Japan	12,740	12,239
- The People's Republic of China ("PRC")	295	1,048
	<b>13,035</b>	<b>13,287</b>
Revenue - rental income from investment properties		
- PRC	2,767	2,203
- Singapore	61	60
	<b>2,828</b>	<b>2,263</b>

**13 Statement of operations by segments (Cont'd)**

**(c) Reconciliation of segments' total assets and total liabilities**

The Group	30 September 2022 RMB'000	30 June 2022 RMB'000
Reportable segments' assets are reconciled to total assets:		
Segment assets	328,669	332,133
VAT receivable	5,481	4,372
	<b>334,150</b>	<b>336,505</b>
Reportable segments' liabilities are reconciled to total liabilities:		
Segment liabilities	13,858	17,773
Deferred tax liabilities	31,317	33,973
VAT payable	3,963	3,835
	<b>49,138</b>	<b>53,032</b>

**(d) Information about major customers**

The revenue from one customer of the Group's processed food products segment amounted to approximately RMB 10,798,000 (2021 - RMB 10,215,000) and accounted for 84% (2021 - 77%) of the Group's revenue for the three months ended 30 September 2022.

**14 Dividend**

No interim dividends were paid by the Company in respect of the three months ended 30 September 2022 and 2021.

**15 Commitment**

There is no capital commitment contracted but not provided for in the condensed consolidated financial statements as at 30 September 2022 and 30 June 2022.

## **16 Related party transactions**

### *Key management personnel compensation*

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and senior management are considered as key management personnel of the Group.

Key management personnel compensation comprised:

	<b>Three months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
The Group		(unaudited)
Directors' fee	-	261
Short-term benefits	435	387
	<b>435</b>	<b>648</b>
<hr/>		
The Company		
Advances from a subsidiary	2,363	955
Advances to a subsidiary	-	961

## **17 Fair value measurements**

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : unobservable inputs for the asset or liability.

The following table shows an analysis of each class of assets and liabilities measured at fair value at end of the reporting period:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
The Company				
<b>30 September 2022</b>				
<u>Non-financial assets</u>				
Investment properties	-	-	7,685	7,685
<hr/>				
<b>30 June 2022</b>				
<u>Non-financial assets</u>				
Investment properties	-	-	7,685	7,685

**17 Fair value measurements (Cont'd)**

The Group	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>30 September 2022</b>				
<u>Non-financial assets</u>				
Investment properties:				
- Leasehold buildings	-	-	224,136	224,136
- Land use rights	-	-	11,100	11,100
Property, plant and equipment:				
- Leasehold buildings and structural improvements	-	-	38,688	38,688
- Land use rights	-	-	13,065	13,065
<b>30 June 2022</b>				
<u>Non-financial assets</u>				
Investment properties:				
- Leasehold buildings	-	-	224,136	224,136
- Land use rights	-	-	11,100	11,100
Property, plant and equipment:				
- Leasehold buildings and structural improvements	-	-	39,279	39,279
- Land use rights	-	-	13,200	13,200

There were no transfers into or out of fair value hierarchy levels for financial periods ended 30 September 2022, 30 June 2022 and 31 March 2022.

**18 Subsequent events**

On 1 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:

- disruption of work and production hours due to arrangements for the daily testing of its employees resulting in a drop in production output;
- manpower reduction as a result of employees being unable to work due to lockdown and/or quarantine; and
- supply chain and logistics disruption because of the traffic control and movement restrictions.

In the event of further rise in Covid-19 infections, FJWS's factory may be required to suspend its operations should the local government further tighten its covid control measures.