



CHINA MINING INTERNATIONAL LIMITED

Unaudited Condensed Interim Financial Statements
for the six-month period ended 30 June 2024

Table of Contents

- A. Condensed interim consolidated statement 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 statement of cash flows 6
- E. Notes to the condensed interim consolidated financial statements 8
- F. Other information required by Appendix 7.2 of the Listing Rules.....18

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	The Group	
		6-month ended 30 Jun 2024 RMB'000	6-month ended 30 Jun 2023 RMB'000
Revenue	4	-	6,856
Cost of sales		-	(6,107)
Gross profit		-	749
Selling and distribution expenses		(101)	(783)
General and administrative expenses		(4,350)	(7,639)
Written-back of impairment of financial assets, net		-	513
Other income		562	764
Other expenses		(323)	(642)
Finance income		13	5
Finance expense		(994)	(1,127)
Loss before tax	6	(5,193)	(8,160)
Income tax credit/(expense)	7	37	(39)
Loss for the period		(5,156)	(8,199)
Other comprehensive loss, net of tax			
Items that will not be reclassified subsequently to profit or loss: Equity investment at FVOCI ⁽¹⁾ - net change in fair value		-	-
Loss attributable to:			
Equity holders of the Company		(4,180)	(6,781)
Non-controlling interests		(976)	(1,418)
		(5,156)	(8,199)
Total comprehensive loss attributable to:			
Equity holders of the Company		(4,180)	(6,781)
Non-controlling interests		(976)	(1,418)
		(5,156)	(8,199)
Loss per share for loss for the period attributable to the owners of the Company:			
Basic and diluted (RMB in cent)	19	(1.02)	(1.66)

Note:

(1) FVOCI refers to "fair value through other comprehensive income".

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30 Jun 2024 RMB'000	31 Dec 2023 RMB'000	30 Jun 2024 RMB'000	31 Dec 2023 RMB'000
Non-current assets					
Property, plant and equipment	10	21,890	23,676	4	5
Intangibles		470	529	-	-
Bearer plants	11	58,219	55,430	-	-
Right-of-use assets	12	33,274	34,580	-	-
Land use rights	13	35	36	-	-
Investments in subsidiaries		-	-	151,112	151,112
Financial assets, at FVOCI	9.1	49,225	49,225	49,225	49,225
		163,113	163,476	200,341	200,342
Current assets					
Financial assets, at FVPL ⁽¹⁾ – structured deposits	9.2	-	-	-	-
Inventories		411	411	-	-
Trade receivables		1,034	1,466	-	-
Other receivables, deposits and prepayments	14	12,759	11,817	829	1,103
Amount due from related parties		94	-	172	-
Pledged bank deposits		69	69	-	-
Cash and cash equivalents		2,141	7,353	511	786
		16,508	21,116	1,512	1,889
Total assets		179,621	184,592	201,853	202,231
Current liabilities					
Trade payables		3,016	3,257	-	-
Accruals and other payables	15	8,709	8,501	93	1,152
Borrowings	16	27,837	29,070	-	-
Amounts due to subsidiaries (non-trade)		-	-	122,772	121,109
Income tax payable		2,783	2,820	-	-
		42,345	43,648	122,865	122,261
Net current assets/(liabilities)		(25,837)	(22,532)	(121,353)	(120,372)
Non-current liabilities					
Borrowings	16	37,807	36,994	-	-
Amount due to related parties (non-trade)		4,029	3,354	-	-
		41,836	40,348	-	-
Net assets		95,440	100,596	78,989	79,970
Issued capital	17	15,806	15,806	15,806	15,806
Share premium	17	271,358	271,358	271,358	271,358
Treasury shares	18	(18)	(18)	(18)	(18)
Capital reserve		49,031	49,031	-	-
Distributable reserve		267,600	267,600	267,600	267,600
Statutory reserve		312	312	-	-
Fair value deficit		(21,206)	(21,206)	(21,206)	(21,206)
Accumulated losses		(502,351)	(498,171)	(454,551)	(453,570)
		80,532	84,712	78,989	79,790
Non-controlling interests		14,908	15,884	-	-
Total equity		95,440	100,596	78,989	79,790

Note:

(1) FVPL refers to “fair value through profit or loss”.

C. Condensed interim statements of changes in equity

The Group (RMB'000)	Note	Attributable to equity holders of the Company								Non- controlling interests	Total equity	
		Issued capital	Share premium	Treasury shares	Distributable reserve	Statutory reserve	Capital reserve	Fair value deficit	Accumulated losses			Total
Balance as at 1 Jan 2024		15,806	271,358	(18)	267,600	312	49,031	(21,206)	(498,171)	84,712	15,884	100,596
Loss for the period		-	-	-	-	-	-	-	(4,180)	(4,180)	(976)	(5,156)
Balance as at 30 Jun 2024		15,806	271,358	(18)	267,600	312	49,031	(21,206)	(502,351)	80,532	14,908	95,440

The Group (RMB'000)	Note	Attributable to equity holders of the Company								Non- controlling interests	Total equity	
		Issued capital	Share premium	Treasury shares	Distributable reserve	Statutory reserve	Capital reserve	Fair value deficit	Accumulated losses			Total
Balance as at 1 Jan 2023		15,806	271,358	(18)	267,600	312	49,031	(13,664)	(442,869)	147,556	45,114	192,670
Loss for the period		-	-	-	-	-	-	-	(6,781)	(6,781)	(1,418)	(8,199)
Balance as at 30 Jun 2023		15,806	271,358	(18)	267,600	312	49,031	(13,664)	(449,649)	140,776	43,696	184,472

The Company (RMB'000)	Note	Attributable to equity holders of the Company							Total equity
		Issued Capital	Share Premium	Treasury Shares	Distributable Reserve	Fair value deficit	Accumulated losses	Total	
Balance as at 1 Jan 2024		15,806	271,358	(18)	267,600	(21,206)	(453,570)	79,790	
Loss for the period		-	-	-	-	-	(981)	(981)	
Balance as at 30 Jun 2024		15,806	271,358	(18)	267,600	(21,206)	(454,551)	78,989	

The Company (RMB'000)	Note	Attributable to equity holders of the Company							Total equity
		Issued Capital	Share Premium	Treasury Shares	Distributable Reserve	Fair value deficit	Accumulated losses	Total	
Balance as at 1 Jan 2023		15,806	271,358	(18)	267,600	(13,664)	(447,442)	93,640	
Loss for the period		-	-	-	-	-	(1,162)	(1,162)	
Balance as at 30 Jun 2023		15,806	271,358	(18)	267,600	(13,664)	(448,604)	92,478	

D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		6-month ended	6-month ended
		30 Jun 2024 RMB'000	30 Jun 2023 RMB'000
OPERATING ACTIVITIES			
Loss before tax:		(5,193)	(8,160)
Adjustments for:			
Amortization of land use rights	6	1	1
Depreciation of property, plant and equipment	6	1,315	2,345
Depreciation of right-of-use assets		1,306	95
Amortization of intangibles		59	59
Depreciation of bearer plants		3,571	1,663
Bearer plants written off		-	344
Interest income		(13)	-
Interest expense		994	1,127
Foreign exchange loss/(gain), net		10	(8)
Loss on disposal of property, plant and equipment		53	57
Operating profit/(loss) before working capital changes		2,103	(2,477)
Inventory		432	2,297
Trade receivables		(942)	3,609
Other receivables, deposits and prepayments		-	(828)
Pledged bank deposit		-	50
Trade payables		(241)	(2,106)
Accruals and other payables		208	208
Cash generated from operations		1,560	1,369
Income tax paid		-	-
NET CASH GENERATED FROM OPERATING ACTIVITIES		1,560	1,369
INVESTING ACTIVITIES			
Interest received		13	61
Addition of financial assets, at FVPL		-	(20,750)
Redemption of financial assets, at FVPL		-	20,750
Capital expenditure on bearer plants		(2,278)	(2,999)
Purchase of property, plant and equipment		-	(26)
Addition of bearer plants		(4,082)	-
Proceeds from disposal of property, plant and equipment		418	36
NET CASH (USED) IN INVESTING ACTIVITIES		(5,929)	(2,928)

FINANCING ACTIVITIES

Repayment of interest	(994)	(2,600)
Addition/repayment of lease liabilities	813	(728)
Repayment of bank loans	(1,233)	(2,414)
Advance from/repayment of related parties	581	3,783

NET CASH (USED) IN FINANCING ACTIVITIES

(833) (1,959)

Net (decrease)/increase in cash and cash equivalents	(5,202)	(3,518)
Cash and cash equivalents at beginning of the period	7,353	15,095
Exchange difference on cash and cash equivalents	(10)	8

CASH AND CASH EQUIVALENTS AT END OF THE PERIOD

2,141 11,585

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

China Mining International Limited (the “**Company**”), an investment holding company, is a limited liability company incorporated in the Cayman Islands and listed on the Main Board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The address of the Company’s registered office is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. The address of the principal place of business of the Company is China Henan Province, Zheng Zhou City, Jin Shui District, Intersection of Zhong Wang Road and Zheng Guang North Street, Zhong Chuang Building 5 Floor, Henan 450000, People’s Republic of China (“**PRC**”).

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 (“**1H2024**”) as contained herewith comprised those of the Company and its subsidiaries (collectively, the “**Group**”) (the “**1H2024 Interim Financial Statements**”).

2. Basis of preparation

Save as disclosed in the accounting policies below, the 1H2024 Interim Financial Statements are prepared in accordance with historical cost convention and the IAS 34 Interim Financial Reporting Standards issued by the International Accounting Standards Committee. The 1H2024 Interim Financial Statements 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 for an understanding of the changes in the Group’s financial position and performance since the last annual financial statements for the year ended 31 December 2023 (“**FY2023**”).

Except for the adoption of new and amended standards as set out in Note 2.1, the accounting policies adopted under the 1H2024 Interim Financial Statements are consistent with those of FY2023 which were prepared in accordance with the International Financial Reporting Standards (“**IFRS**”).

The 1H2024 Interim Financial Statements are presented in Chinese Renminbi (“**RMB**”) which is the Company’s functional currency, and all values, unless otherwise stated, are rounded to the nearest thousand (RMB’000).

2A. Fundamental accounting concept

The 1H2024 Interim Financial Statements have been prepared on a going concern basis. The Board of Directors (“the **Board**”)’s assessment of the Group’s and the Company’s ability to continue as a going concern includes the following key assumptions:

- a) The Group continues to receive financial support from Mr Guo Yinghui, a controlling shareholder of the Company, enabling it to operate as a going concern and meet its obligations as and when they fall due. Mr Guo Yinghui has agreed to provide additional funds should the Group requires working capital.
- b) The Group holds a 40.15% interest in Sino Feng Mining S.à.r.l.(“**Sino Feng**”), an unquoted investment classified as a financial asset at fair value through other comprehensive income. Sino Feng has an underlying interest in Aero Wing Properties Pty Ltd (“**AWP**”), which holds mining rights to an iron ore mine in South Africa (in which the Group has an effective interest of 16.06%). As announced by the Company via SGXNET on 21 May 2024 and 30 May 2024, the majority shareholder of Sino Feng, via Sino Feng’s wholly-owned subsidiary, has entered into an agreement to dispose of its interest in AWP. The Group expects to receive USD6,000,000 (approximately RMB43,000,000) from this transaction, which will be sufficient to repay the current portion of bank borrowings and fund the Group’s operation for at least the next 12 months from 30 June 2024.

In view of the above, the accompanying 1H2024 Interim Financial Statements have been prepared on a going concern basis and no adjustment has been made to the financial statements to reflect the situation that assets may be realized other than in the normal course of business or at significantly different amount from that being currently recorded in the statements of financial position in the unlikely event that the Group and the Company cannot continue to operate on a going concern in the foreseeable future. In such circumstances, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

2.1. New and amended standards adopted by the Group

A number of amendments to accounting standards have become applicable for 1H2024. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

The preparation of the 1H2024 Interim Financial Statements, in conformity with IFRS, requires the management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities as at 30 June 2024 and the reported amounts of revenues and expenses for 1H2024.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by the 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 the end of and for FY2023.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

(a) Valuation of financial assets, at FVOCI

The management has measured the fair value of the financial assets, at FVOCI representing the unquoted equity investment of 40.15% in Sino Feng (as defined in Note 9.1 below) using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable data when possible, but when this is not feasible, a degree of judgement is required in establishing the fair value. The critical assumptions include significant judgement in estimating future cash flows, especially the iron ore selling price, license renewal period, discount rate, capital and operating expenditure, etc. Changes in these key assumptions could affect the reported fair value of financial assets, at FVOCI. The valuation technique and assumptions are described in Note 9.1 below.

(b) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. The management applies the value-in-use method to determine the recoverable amounts of the non-financial assets. The value-in-use calculation is based on a forecasting future cash flow model. The cash flows are derived from the budget for the following 12 months and do not include restructuring activities that the Group is yet to be committed or significant future investments that will enhance the asset's performance of the cash generating unit being tested. In estimating the future cash flows, the management has taken into account the past performance, operating expenses and the business plan of the Group.

(c) Impairment of trade and other receivables, deposits and prepayments

Impairment allowance for financial assets measured at amortised costs are applied using the ECL model, which requires assumption of risk of default and expected loss rates. The Company uses judgement in making these assumptions. In determining key inputs to the ECL loss allowance, the Group considers factors such as the historical loss rate, past payment records of the counter-parties, value of any collateral pledged by the third parties, probability of insolvency or significant financial difficulties of the third parties and default or significant delays in payment.

3. Seasonal operations

There is only one commercial harvesting season in the PRC for the pomegranate fruits, which takes place from September to October during the second half of the year. Hence revenue generated from the sale of pomegranate fruits (agriculture business) will largely be featured only in the second half of the year.

4. Segment and revenue information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chairman of the Group, who is the chief operating decision maker, in order to allocate resources to the segments and to assess their performance.

	Agriculture RMB'000	Mining RMB'000	Property RMB'000	Total RMB'000
1 Jan 2024 to 30 Jun 2024				
Segment revenue from external customers	-	-	-	-
Segment loss, representing loss before tax	(2,649)	-	(2,544)	(5,193)
Tax credit			37	37
Loss for the period	(2,649)		(2,507)	(5,156)

	Agriculture RMB'000	Mining RMB'000	Property RMB'000	Total RMB'000
1 Jan 2023 to 30 Jun 2023				
Segment revenue from external customers	6,856	-	-	6,856
Segment loss, representing loss before tax	(3,833)	-	(4,327)	(8,160)
Tax expense	1		(38)	(39)
Loss for the period				(8,199)

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Note	The Group		The Company	
		30 Jun 2024 RMB'000	31 Dec 2023 RMB'000	30 Jun 2024 RMB'000	31 Dec 2023 RMB'000
Financial assets					
Financial assets, at FVOCI	9.1	49,225	49,225	49,225	49,225
Financial assets at amortized cost		9,019	16,247	1,833	1,836
		58,244	65,472	51,058	51,061
Financial liabilities					
Financial liabilities at amortized cost		78,205	78,908	122,865	122,261
		78,205	78,908	122,865	122,261

6. Profit before taxation

6.1. Significant items

	The Group	
	6-month ended 30 Jun 2024	6-month ended 30 Jun 2023
	RMB'000	RMB'000
Income		
Compensation from insurance	212	644
Government grants	10	32
Interest income	13	5
Expenses		
Interest expense	994	1,127
Amortization of land use rights	1	1
Depreciation of property, plant and equipment	1,315	2,345
Depreciation of right-of-use assets	1,306	95
Amortization of intangibles	59	59
Depreciation of bearer plants	3,571	1,663
Foreign exchange loss/(gain), net	10	8
Bearer plants written off	-	344
Loss on disposal of property, plant and equipment	53	57

6.2. Related party transactions

Save as disclosed, there was no related party transaction in 1H2024.

7. Taxation

Taxation of the Group comprise corporate income tax and land appreciation tax in the PRC. The major components of income tax expense in the 1H2024 Interim Financial Statements are:

	The Group	
	6-month ended 30 Jun 2024	6-month ended 30 Jun 2023
	RMB'000	RMB'000
Current tax credit/(expense)	37	(39)
Deferred income tax expense relating to origination and reversal of temporary differences	-	-
	37	(39)

8. Net Asset Value

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	RMB'000	RMB'000	RMB'000	RMB'000
Net asset value as at end of financial period/year	95,440	100,596	78,989	79,970
Net asset value per ordinary share as at the end of financial period/year				
(RMB cents) ⁽¹⁾	23.39 cents	24.66 cents	19.36 cents	19.60 cents
(\$ cents) ⁽¹⁾	4.36 cents	4.60 cents	3.61 cents	3.66 cents

Note:

- (1) Calculated based on the exchange rates of S\$1:RMB5.36 as at 30 June 2023 and S\$1:RMB5.36 as at 31 December 2023. The total number of issued Shares (excluding the 11,500 treasury Shares) are 407,988,500 as at 30 June 2024 and as at 31 December 2023.

9. Financial assets at fair value

9.1 Financial assets at FVOCI

	The Group and the Company	
	30 Jun 2024	31 Dec 2023
	RMB'000	RMB'000
At the beginning of the period/year	49,225	56,767
Changes in fair value recognized in other comprehensive income	-	(7,452)
At end of period/year	49,225	49,225
<i>Representing:</i>		
<u>Unquoted equity investments</u>		
Investment in Sino Feng Mining S.à.r.l. (" Sino Feng ")	49,225	49,225

Sino Feng, through its associate company Aero Wind Properties Pty Limited ("**AWP**"), holds a mining right granted by the relevant South African authority in respect of iron ore mine located in Thabazimbi district, Limpopo Province, South Africa (the "**Thabazimbi Mine**").

The Group has engaged AP Appraisal Limited, an independent Hong Kong based valuer, to evaluate the fair value of the Thabazimbi Mine as at 31 December 2023. Based on income-based approach, the valuation estimated the future cash flows for the period of the estimated operating lifespan of the mine according to the resource estimation and a suitable discount rate in order to calculate the present value.

Pursuant to the shareholders' agreement entered between the Group and Sino-Africa Mining International Limited ("**Sino-Africa**"), the controlling shareholder of the Thabazimbi Mine, on 30 April 2017, no new funding contribution will be required of the Group for the purpose of making or realising an investment or funding any other requirement of the Thabazimbi Mine. Neither is the Group able to exercise control, joint control or significant influence over its investment in the Thabazimbi Mine. As at the date of this announcement, the Thabazimbi Mine has completed its exploration phase and awaits the issuance of mining license by the relevant authorities for the commencement of the mining phase. The initial mining right period of the Thabazimbi Project is expected to be 20 years upon the issuance of the said mining license, the procurement of which is subject to the settlement of the rehabilitation deposit, amounting to South African Rand 10,091,000 (equivalent to RMB5.03 million), as well as the provision of mining program and surveyed plan to the relevant authorities by Sino-Africa. Sino-Africa is in the midst of getting the said mining program and surveyed plan ready.

9.2 Financial assets at FVPL – structured deposits

	The Group	
	30 Jun 2024	31 Dec 2023
	RMB'000	RMB'000
At the beginning of the period/year	-	-
Addition	-	27,250
Redemption	-	(27,330)
Changes in fair value recognized in profit and loss	-	80
At end of period/year	-	-
<i>Representing:</i>		
- Non-principal protected financial products	-	-

The Group invested in non-principal protected financial products with one of the top 20 commercial banks in the PRC. The investments do not have any fixed maturity term or coupon interest rate or yield return.

9.3. Fair value measurement

The Company classified fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchies have the following levels:

- 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 (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table shows an analysis of financial instruments measured and carried at fair value by the level of fair value hierarchy:

	The Group		
	Level 1	Level 2	Level 3
As at 30 Jun 2024	RMB'000	RMB'000	RMB'000
Financial assets, at FVOCI			
- Unquoted equity investment	-	-	49,225
	-	-	49,225

	The Group		
	Level 1	Level 2	Level 3
As at 31 Dec 2023	RMB'000	RMB'000	RMB'000
Financial assets, at FVOCI			
- Unquoted equity investment	-	-	49,225
	-	-	49,225

10. Property, plant and equipment

The Group acquired property, plant and equipment of RMB nil in 1H2024 (FY2023: RMB2,564,000) and disposed property, plant and equipment of RMB471,000 in 1H2023 (FY2023: 4,469,000).

Some items of equipment with a carrying value of RMB733,346.14 as at 30 June 2024 (FY2023: RMB905,000) have been pledged to a finance company as security for a working capital loan of RMB2,500,000 (FY2023: RMB2,327,000) (the "Mortgaged Loan").

11. Bearer plants

Borrowing costs, capitalized as the cost of immature plantations for the six-month period ended 30 June 2024, amounted to RMB1,212,000 (FY2023: RMB530,000). The interest capitalized is the actual interest incurred on the borrowings to finance the cultivation of the pomegranate plantations. The bearer plants written off during the six-month period ended 30 June 2024 amounted to RMBnil (FY2023: RMB63,940,000).

12. Right-of-use assets

The right-of-use assets comprise mainly leased machinery and equipment, land and lease contracts for various assets of leasehold land and building used in the agriculture operations in the PRC. These leases are non-cancellable and their renewal is subject to the lessors' approval. The Group's bearer plants are planted and managed in areas which have obtained such rights to cultivate. There were no new addition or disposal of right-of-use assets in 1H2023 (FY2023: Nil).

13. Land use rights

The Group did not acquire or dispose any land use rights in 1H2024 and FY2023.

14. Other receivables, deposits and prepayments

	The Group	
	30 Jun 2024	31 Dec 2023
	RMB'000	RMB'000
Advances to staff	-	39
Other receivables	4,085	4,041
Deposits paid to corporate guarantors ⁽¹⁾	1,000	1,500
Prepayments ⁽²⁾	5,228	3,536
Rental deposits	112	305
Prepaid business and related tax	2,334	2,396
	<u>12,759</u>	<u>11,817</u>

Note:

- (1) Deposits paid to third party guarantors relate to corporate guarantee granted to the Group to secure the term loans (see Note 16).
- (2) Prepayments comprised upfront payments made to suppliers in relation to supply of goods, services and legal and professional services.

15. Accruals and other payables

	The Group	
	30 Jun 2024	31 Dec 2023
	RMB'000	RMB'000
Other payables		
- Construction cost payables ⁽¹⁾	1,656	1,956
- Others	3,294	3,431
Accrued expenses		
- Accrued business and related taxes	3,080	2,268
- Other accrued expenses	679	846
	<u>8,709</u>	<u>8,501</u>

Notes:

- (1) The amount represents retention sum yet to be settled for the completed processing factory of the agriculture segment.

16. Borrowings

	Interest rate p.a.	The Group	
		30 Jun 2024 RMB'000	31 Dec 2023 RMB'000
<u>Amount repayable in one year or less or on demand</u>			
Secured bank loans	7.63%	1,058 ⁽¹⁾	720 ⁽¹⁾
Unsecured			
- Government agency	7%	10,000	10,000
- Bank loans	3.95% to 7.63%	14,000	15,571
		<u>25,058</u>	<u>26,291</u>
Unsecured			
- Lease liabilities	6.16% to 7.18%	2,779	2,779
		<u>27,837</u>	<u>29,070</u>
<u>Amount repayable after one year</u>			
Secured bank loans	7.63%	_(1)	_(1)
Unsecured bank loans	3.95% to 7.63%	381	381
		<u>381</u>	<u>381</u>
Unsecured			
- Lease liabilities	6.16% to 7.18%	37,426	36,613
		<u>37,807</u>	<u>36,994</u>

Note:

(1) Being the Mortgage Loan.

17. Issued capital and share premium

Movements of the issued and paid-up capital and share premium of the Group and the Company (inclusive of the 11,500 treasury Shares) in 1H2024 and FY2023 are as follows:

	30 Jun 2024			31 Dec 2023		
	Number of Shares	Share Capital RMB'000	Share Premium RMB'000	Number of Shares	Share Capital RMB'000	Share Premium RMB'000
Issued and paid-up Shares at beginning of the period/year	408,000,000	15,806	271,358	408,000,000	15,806	271,358
Issued during the period/year	-	-	-	-	-	-
Issued and paid-up Shares at end of the period/year	408,000,000	15,806	271,358	408,000,000	15,806	271,358

The number of Shares (excluding treasury Shares) are 407,988,500 as at 30 June 2024 and as at 31 December 2023. All issued Shares are fully paid.

On 3 March 2022, in connection with the announcements made by the Company on 8 January 2022 and 23 February 2022, the Company issued and allotted a total of 35,000,000 new Shares at S\$0.042 each to Whitewood Property Corp, Ms. Hu Xiaoning (胡晓宁) and Mr. Zhou Tao (周涛) pursuant to the general share issue mandate to issue new Shares granted by the shareholders of the Company (the "Shareholders") at the Company's annual general meeting held on 16 April 2021 (the "Tranche A Placement").

On 7 June 2022, in connection with the announcements made by the Company on 8 January 2022 and 23 February 2022, the Company issued and allotted a total of 35,000,000 new Shares at S\$0.043 each to iFactors SPC – Asymmetric Opportunities SP ("iFactors SP"), Mr. Zhai Kebin (翟克彬) ("ZKB") (the Chief Executive Officer of the Company), and Sino-Africa pursuant to a specific share issue mandate for the Company to issue new Shares granted by the Shareholders at the Company's extraordinary general meeting held on 31 May 2021 (the "Tranche B Placement").

The gross proceeds raised from the Tranche A Placement and Tranche B Placement are S\$1,470,000 and S\$1,505,000 respectively. The net proceeds raised from the Tranche A Placement and the Tranche B Placement (after deducting estimated issuing expenses of S\$40,000 and S\$60,000 respectively) are approximately S\$1,430,000 (the “**Tranche A Net Placement Proceeds**”) and S\$1,445,000 (the “**Tranche B Net Placement Proceeds**”) respectively and had been partly utilised as follows as at the date of this announcement:

Use of Tranche A Net Placement Proceeds	Percentage allocated %	Allocated amount S\$	Utilized amount S\$	Unutilized amount S\$
A. For the investment and working capital needs of the Group arising from new business opportunities and new products in connection with the growth, development and expansion of the existing businesses of the Group⁽¹⁾:				
• Disbursements relating to the Group’s investments (including but not limited to HYNFSC ⁽²⁾)	42.10	602,000	183,304	418,696
• Expenses relating to R&D and production of new products	5.24	74,858	74,858	-
• Expenses relating to marketing of new products, including but not limited to promotional expenses to be incurred as and when new products are rolled out	5.23	74,857	74,857	-
<i>Sub-Total</i>	52.57	751,715	333,019	418,696
B. For the working capital needs of the Group in connection with the existing products of the Group (including expenses relating to professional services and administration):				
• Expenses relating to production	14.88	212,727	212,727	-
• Operating expenses (including administrative expenses and professional fees)	28.83	412,337	412,337	-
• Staff costs (including salaries and employers’ welfare contributions)	3.72	53,221	53,221	-
<i>Sub-Total</i>	47.43	678,285	678,285	-
Grand Total	100.00	1,430,000	753,142	418,696

Use of Tranche B Net Placement Proceeds	Percentage allocated %	Allocated amount S\$	Utilized amount S\$	Unutilized amount S\$
A. For the investment and working capital needs of the Group arising from new business opportunities and new products in connection with the growth, development and expansion of the existing businesses of the Group⁽¹⁾:				
• Expenses relating to R&D and production of new products	5.23	75,642	-	75,642
• Expenses relating to marketing of new products, including but not limited to promotional expenses to be incurred as and when new products are rolled out	5.24	75,643	75,643	-
<i>Sub-total</i>	10.47	151,285	75,643	75,642

B. For the working capital needs of the Group in connection with the existing products of the Group (including expenses relating to professional services and administration):

• Expenses relating to production	56.97	823,273	823,273	-
• Operating expenses (including administrative expenses and professional fees)	28.84	416,663	416,663	-
• Staff costs (including salaries and employers' welfare contributions)	3.72	53,779	53,779	-
<i>Sub-total</i>	89.53	1,293,715	1,293,715	-
Grand total	100.00	1,445,000	1,369,358	75,642

Notes:

- (1) The existing businesses of the Group comprise: (i) the business of property management; (ii) the business of general financial investment; (iii) the business of holding investment interests in the Thabazimbi Mine; and (iv) the agriculture business.
- (2) On 21 March 2022, the Company announced that through its indirect subsidiary, Henan Central Agriculture and Commerce Co., Ltd. (河南中之农商贸有限公司) (“**HCAC**”), it had entered into a joint venture with an independent third-party, Henan Jiayouhui Internet Technology Co., Ltd. (河南嘉友汇网络科技有限公司) (“**HJYH**”), to jointly incorporate Henan Younong Future Supply Chain Management Co., Ltd. (河南优农未来供应链管理有限公司) (“**HYNFSC**”) in the PRC. HYNFSC has an initial registered capital of RMB10 million and is held 70% and 30% by HCAC and HJYH respectively. HCAC has contributed RMB3.0 million, which was funded through the internal resources of the Group. The balance of RMB4.0 million will be funded through a combination of net proceeds raised from the Tranche A Placement (whereby up to S\$602,000 (approximately RMB2.8 million) has been allocated for this purpose), while the remainder of not less than RMB1.2 million will be funded through the internal resources of the Group. Please refer to the announcements of the Company dated 21 March 2022 and 6 April 2022 for further details.

Employee share option scheme

No share options were issued during 1H2024 and FY2023. Neither was there any ordinary Share issued as a result of the exercise of any outstanding share option during 1H2024 and FY2023.

Outstanding convertibles or options

There were no outstanding convertibles or options that may be converted into new Shares as at 30 June 2024 and 31 December 2023.

18. Treasury Shares

	The Group and the Company			
	As at 30 Jun 2024		As at 31 Dec 2023	
	Number of Shares	RMB'000	Number of Shares	RMB'000
At beginning and end of the period/year	11,500	18	11,500	18

There was no sale, transfer, disposal, cancellation or use of treasury Shares during 1H2024 and FY2023.

19. Loss per share

	The Group	
	6-month ended 30 Jun 2024	6-month ended 30 Jun 2023
	RMB'000	RMB'000
Loss after tax attributable to the Shareholders	(4,180)	(6,781)
Loss per share (Basic and Diluted)		
(RMB cents) ⁽¹⁾	1.02 cents	1.66 cents
(\$\$ cents) ⁽¹⁾	0.19 cents	0.32 cents

Note:

- (1) Calculated based on the average exchange rates S\$1:RMB5.33 for 1H2024 and S\$1:RMB5.19 for the six-month period ended 30 June 2023 (“**1H2023**”) and the 407,988,500 weighted average issued Shares (excluding the 11,500 treasury Shares) for 1H2024 and 1H2023. Neither were there any dilutive securities outstanding as at the end of 1H2024 and 1H2023.

20. Subsequent events

There were no known subsequent events which have led to adjustments to the 1H2024 Interim Financial Statements.

Other Information Required by Appendix 7.2 of the Listing Rules

F. Other information

1. Review

The 1H2024 Interim Financial Statements (including the relevant explanatory notes) have not been audited or reviewed by the Company's independent auditors, Crowe Horwath First Trust LLP ("**Crowe Horwath**").

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.

Crowe Horwath had issued a disclaimer of opinion in its Independent Auditor's Report dated 10 June 2024 in respect of the consolidated financial statements of the Group for the financial year ended 31 December 2023. The basis for which has been disclosed on pages 58 to 60 of the Company's FY2023 Annual Report.

Efforts taken to address and resolve each outstanding audit issue are as follows:

(1) Use of going concern assumption

The Group continues to receive financial support from Mr Guo Yinghui, a controlling shareholder of the Company, enabling it to operate as a going concern and meet its obligations as and when they fall due. Mr Guo Yinghui has agreed to provide additional funds should the Group requires working capital.

The Group continues to work closely with the relevant parties for the disposal of underlying interests in Aero Wing Properties Pty Ltd and expects to receive the sale proceeds of USD6,000,000 (approximately RMB43,000,000) from this disposal transaction before the financial year ended 31 December 2024.

(2) Expected credit losses on trade and other receivables, and prepayments

The Group continues its best efforts to cover the outstanding balances.

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

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

2. Review of the financial performance of the Group

(a) Review of the condensed consolidated statement of comprehensive income of the Group for 1H2024 (relative to that for 1H2023)

Revenue and Gross Profit

The revenue recorded in 1H2023 were attributed mainly to the mass-volume, low-margin products sold through the internet platform which the Group had since 1H2023 discontinued with the not so attractive low yielding line of trading business.

As mentioned in Section E Note 3 above, there is only one commercial harvesting season in the PRC for the pomegranate fruits, which takes place from September to October during the second half of the year. Hence revenue generated from the sale of pomegranate fruits (agriculture business) will largely be featured only in the second half of the year.

Selling and distribution expenses

The reduction of selling and distribution expenses were mainly due to the costs cutting measures taken by the Group.

General and administrative expenses

The decrease in general and administrative expenses were mainly due to the costs cutting measures taken by the Group.

Written-back of impairment of financial assets, net

The one-off write-backs of certain impaired financial assets in 1H2023 were made following the recovery of part of the bad debts previously provided for with none recorded in 1H2024.

Other income

The decrease in other income were mainly due to lesser insurance compensation during 1H2024.

Other expenses

The other expenses incurred in 1H2023 relates partly to the one-off write off of bearer plants of RMB344,000 with none recorded in 1H2024.

Finance expense

The decrease in finance expense is mainly due to the lesser borrowings during the period.

Total comprehensive loss attributable to shareholders of the Group

Consequence to the above, the Group registered lesser net loss attributable to the Shareholders of RMB4.2 million in 1H2024 compared to a net loss attributable to the Shareholders of RMB6.8 million in 1H2023.

(b) Review of the condensed statements of financial position of the Group as at 30 June 2024 (relative to that as at 31 December 2023)

Non-current assets

The decrease in property, plant and equipment of was attributed mainly to the depreciation.

The increase in bearer plants was mainly due to the capitalization of production and interest costs, partly offset by depreciation expense.

The decrease in right-of-use assets was due to depreciation.

Current assets

The decrease in trade receivables was mainly due to receipts from customers subsequent to FY2023.

The increase in other receivables, deposits and prepayments was due mainly to the increase of prepayments.

Taken as a whole, the current assets of the Group decreased by RMB4.6 million from RMB21.1 million as at 31 December 2023 to RMB16.5 million as at 30 June 2024.

Current liabilities

The decrease in borrowings was mainly due to repayment of working capital loans and lease liabilities.

Taken as a whole, the current liabilities of the Group decreased by RMB1.3 million from RMB43.6 million as at 31 December 2023 to RMB42.3 million as at 30 June 2024.

Consequence to the above:

- (1) the working capital position of the Group widened from a negative RMB22.5 million as at 31 December 2023 to a negative RMB25.8 million as at 30 June 2024; and
- (2) the net asset value of the Group decreased from RMB100.6 million as at 31 December 2023 to RMB95.4 million as at 30 June 2024, with the net asset value per Share decreased from 4.60 Singapore cents as at 31 December 2023 to 4.36 Singapore cents as at 30 June 2024.

Notwithstanding the net current liability position of the Group as at 30 June 2024, the Board is confident that the Company will continue to operate as a going concern as mentioned in Section E Note 2A above. In addition, the Group continues to receive financial support from Mr Guo Yinghui, a controlling shareholder of the Company, enabling it to operate as a going concern and meet its obligations as and when they fall due. Mr Guo Yinghui has agreed to provide additional funds should the Group requires working capital.

(c) Review of the condensed consolidated cashflow statement of the Group for 1H2024 (relative to that for 1H2023)

Net cash generated from operating activities

The Group's net cash generated from operating activities increased from RMB1.4 million in 1H2023 to RMB1.6 million in 1H2024 due principally to higher operating profit during the period.

Net cash generated used in investing activities

The Group's net cash used in investing activities increased from RMB2.9 million in 1H2023 to RMB5.9 million in 1H2024 due mainly to higher addition of bearer plants during the period.

Net cash generated used in financing activities

The Group's net cash used in financing activities decreased from RMB2.0 million in 1H2023 to RMB0.8 million in 1H2024 due mainly to lower interest and bank loans repayment during the period.

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

No forecast or any prospective statement was previously made by the Company.

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

China, the world's second-largest economy sustained the recovery momentum in 2024 with employment and price levels remaining stable, bolstered by ongoing macroeconomic policy support, strengthened external demand, the May Day holiday consumption rise, local governments focusing on employment of key demographic groups, and encouraging diverse avenues for job creation to ensure stable improvement of the employment market.

The Group will continue its cost containment measures and will seeks new business opportunities amidst the challenging macro environment.

5. Dividend information

(a) Any interim (final) ordinary dividend has been declared (recommended)?

No dividend had been declared or recommended for 1H2024 in view of the loss-making position of the Group.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding year (cents)

No dividend was declared in the previous corresponding year.

(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 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

6. Interested person transactions

Name of the interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	RMB'000	RMB'000
Nil	Nil	Nil

The Company does not have any general mandate from its Shareholders concerning any interested party transaction.

7. Negative assurance on interim financial statements pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited 1H2024 Interim Financial Statements to be false or misleading in any material aspect.

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its Directors and Executive Officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

Signed for and on behalf of the Board of Directors

BY ORDER OF THE BOARD

Mr Guo Wenjun
Executive Chairman & CEO

15 August 2024