CHINA MINING INTERNATIONAL LIMITED

Unaudited Condensed Financial Statements
for the financial year ended 31 December 2023

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

	Note	FY2023 RMB'000	FY2022 (Re-presented) RMB'000
Continuing operations			
Revenue	4	**8,492**	34,491
Cost of sales		**(16,822)**	(23,762)
Gross (loss)/profit		**(8,330)**	10,729
Selling and distribution expenses		**(1,491)**	(2,095)
General and administrative expenses		**(15,192)**	(16,198)
Impairment loss of on financial assets		**(973)**	(1,008)
Written-back of impairment of financial assets, net		**522**	57
Other income	6	**20,576**	3,307
Other expenses	7	**(64,708)**	(645)
Finance income		**178**	16
Finance expense		**(2,200)**	(2,119)
Loss before tax	8	**(71,618)**	(7,956)
Income tax credit	9	**41**	507
Loss from operating activities		**(71,577)**	(7,449)
Discontinued operations			
Loss from discontinued operation, net of tax	10	**(1,287)**	(130)
Loss for the year		**(72,864)**	(7,579)
Other comprehensive (loss)/income, net of tax			
Items that will not be reclassified subsequently to profit or loss: Equity investment at FVOCI[1] - net change in fair value		**(6,775)**	1,167
Total comprehensive loss for the year		**(79,639)**	(6,412)
(Loss)/profit attributable to:			
Equity holders of the Company		**(47,814)**	(8,455)
Non-controlling interests		**(25,050)**	876
		(72,864)	(7,579)
Total comprehensive (loss)/profit attributable to:			
Equity holders of the Company		**(54,589)**	(7,288)
Non-controlling interests		**(25,050)**	876
		(79,639)	(6,412)
Loss per share for the period attributable to the owners of the Company:			
Basic and diluted (RMB in cent)	23	**(11.72)**	(2.19)

Notes:

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

(2) Comparative information has been re-presented due to a discontinued operation (Note 10)

B. Condensed statements of financial position

	Note	The Group		The Company	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	13	25,618	29,161	5	1
Bearer plants	14	59,909	124,341	-	-
Right of use assets	15	31,034	56,021	-	-
Land use rights	16	36	38	-	-
Intangibles	17	529	647	-	-
Investments in subsidiaries		-	-	151,112	153,912
Financial assets, at FVOCI	12.1	49,992	56,767	49,992	56,767
		167,118	266,975	201,109	210,680
Current assets					
Financial assets, at FVPL[1] – structured deposits	12.2	-	-	-	-
Inventories		411	4,119	-	-
Trade receivables		1,466	5,163	-	-
Other receivables, deposits and prepayments	18	13,568	13,886	1,103	209
Amount due from related parties		11,697	11,662	-	-
Amount due from subsidiary		-	-	-	41
Pledged bank deposits		69	119	-	-
Cash and cash equivalents		7,353	15,095	786	728
		34,564	50,044	1,889	978
Total assets		201,682	317,019	202,998	211,658
Current liabilities					
Trade payables		3,257	6,945	-	-
Accruals and other payables	19	8,501	12,958	1,152	1,012
Borrowings	20	28,949	36,319	-	-
Amounts due to subsidiaries (non-trade)		-	-	121,109	117,006
Income tax payables		2,481	2,453	-	-
		43,188	58,675	122,261	118,018
Net current liabilities		(8,624)	(8,631)	(120,372)	(117,040)
Non-current liabilities					
Borrowings	20	30,412	54,564	-	-
Amount due to related parties (non-trade)		15,051	11,110	-	-
		45,463	65,674	-	-
Net assets		113,031	192,670	80,737	93,640
Issued capital	21	15,806	15,806	15,806	15,806
Share premium	20	271,358	271,358	271,358	271,358
Treasury shares	22	(18)	(18)	(18)	(18)
Distributable reserve		267,600	267,600	267,600	267,600
Capital reserve		49,031	49,031	-	-
Fair value deficit		(20,439)	(13,664)	(20,439)	(13,664)
Statutory reserve		312	312	-	-
Accumulated losses		(490,683)	(442,869)	(453,570)	(447,442)
		92,967	147,556	80,737	93,640
Non-controlling interests		20,064	45,114	-	-
Total equity		113,031	192,670	80,737	93,640

Note:

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

C. Condensed statements of changes in equity

The Group (RMB'000)	Note	Issued capital	Share premium	Treasury shares	Distributable reserve	Capital reserve	Fair value deficit	Statutory reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		Attributable to equity holders of the Company										
Balance as at 1 Jan 2023		**15,806**	**271,358**	**(18)**	**267,600**	**49,031**	**(13,664)**	**312**	**(442,869)**	**147,556**	**45,114**	**192,670**
Loss for the year		-	-	-	-	-	-	-	(47,814)	(47,814)	(25,050)	(72,864)
Other comprehensive loss, net of tax: Equity investment at FVOCI[(2)] – net change in fair value		-	-	-	-	-	(6,775)	-	-	(6,775)	-	(6,775)
Transfer to statutory reserve		-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 Dec 2023		**15,806**	**271,358**	**(18)**	**267,600**	**49,031**	**(20,439)**	**312**	**(490,683)**	**92,967**	**20,064**	**113,031**

The Group (RMB'000)	Note	Issued capital	Share premium	Treasury shares	Distributable reserve	Capital reserve	Fair value deficit	Statutory reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		Attributable to equity holders of the Company										
Balance as at 1 Jan 2022 (Restated) [(1)]		**13,142**	**259,797**	**(18)**	**267,600**	**49,031**	**(14,831)**	**-**	**(434,102)**	**140,619**	**44,238**	**184,857**
Loss for the year		-	-	-	-	-	-	-	(8,455)	(8,455)	876	(7,579)
Other comprehensive loss, net of tax: Equity investment at FVOCI[(2)] – net change in fair value		-	-	-	-	-	1,167	-	-	1,167	-	1,167
Issuance of new ordinary shares	**21**	2,664	11,561	-	-	-	-	-	-	14,225	-	14,225
Transfer to statutory reserve		-	-	-	-	-	-	312	(312)	-	-	-
Balance as at 31 Dec 2022		**15,806**	**271,358**	**(18)**	**267,600**	**49,031**	**(13,664)**	**312**	**(442,869)**	**147,556**	**45,114**	**192,670**

The Company (RMB'000)	Note	Issued capital	Share premium	Treasury shares	Distributable reserve	Fair value deficit	Accumulated losses	Total equity
		Attributable to equity holders of the Company						
Balance as at 1 Jan 2023		**15,806**	**271,358**	**(18)**	**267,600**	**(13,664)**	**(447,442)**	**93,640**
Loss for the year		-	-	-	-	-	(6,128)	(6,128)
Other comprehensive loss, net of tax: Equity investment at FVOCI – net change in fair value		-	-	-	-	(6,775)	-	(6,775)
Balance as at 31 Dec 2023		**15,806**	**271,358**	**(18)**	**267,600**	**(20,439)**	**(453,570)**	**80,737**

The Company (RMB'000)	Note	Issued capital	Share premium	Treasury shares	Distributable reserve	Fair value deficit	Accumulated losses	Total equity
		Attributable to equity holders of the Company						
Balance as at 1 Jan 2022		**13,142**	**259,797**	**(18)**	**267,600**	**(14,831)**	**(432,087)**	**93,603**
Loss for the year		-	-	-	-	-	(15,355)	(15,355)
Other comprehensive loss, net of tax: Equity investment at FVOCI – net change in fair value		-	-	-	-	1,167	-	1,167
Issuance of new ordinary shares	**21**	2,664	11,561	-	-	-	-	14,225
Balance as at 31 Dec 2022		**15,806**	**271,358**	**(18)**	**267,600**	**(13,664)**	**(447,442)**	**93,640**

Notes:

(1) Certain items have been restated following finalisation of the Purchase Price Allocation ("PPA") during FY2022. Please refer to the FY2022 annual report for more details.

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

D. Condensed consolidated statement of cash flows

	Note	The Group	
		FY2023	FY2022
		RMB'000	RMB'000
OPERATING ACTIVITIES			
Loss before tax:		**(72,864)**	(8,086)
Adjustments for:			
Depreciation of property, plant and equipment	8	**4,401**	4,939
Amortisation of land use rights	8	**2**	2
Depreciation of right of use assets	8	**2,938**	1,739
Amortisation of intangibles	8	**118**	118
Depreciation of bearer plants	8	**2,926**	1,541
Bearer plants written off	8	**62,964**	107
Loss on disposal of property, plant and equipment	8	**269**	15
Property, plant and equipment written off	8	**823**	-
Inventory written off	8	**735**	-
Government compensation for land reclamation	8	**(4,346)**	-
Impairment loss on financial asset	8	**1,719**	1,008
Reversal of allowance for impairment of amounts due from trade and other receivables	8	**(522)**	(57)
Interest on lease liabilities	8	**2,695**	1,378
Interest income	8	**(98)**	(18)
Interest expense	8	**2,021**	1,906
Gain on lease modification	8	**(1,588)**	(61)
Write off trade and other payables	8	**4,750**	(283)
Fair value gain on financial asset, at FVPL	12.2	**(80)**	(151)
(Gain)/Loss on exchange difference		**48**	(105)
Operating profit before working capital changes		**6,911**	3,992
Inventories		**2,973**	(1,901)
Trade receivables		**3,436**	(2,306)
Other receivables, deposits and prepayments		**(3,108)**	(3,530)
Pledged bank deposits		**50**	106
Trade payables		**(3,910)**	1,577
Accruals and other payables		**(9,654)**	837
(Repayment to) / Advances from related parties		**(38)**	60
Cash generated used in from operations		**(3,340)**	(1,165)
Income tax received		**-**	-
NET CASH GENERATED USED IN OPERATING ACTIVITIES		**(3,340)**	(1,165)
INVESTING ACTIVITIES			
Interest received		**98**	18
Addition of financial assets, at FVPL - structured deposits	12.2	**(27,250)**	(66,540)
Redemption of financial assets, at FVPL - structured deposits	12.2	**27,330**	82,461
Purchase of property, plant and equipment	13	**(64)**	(479)
Capital expenditure on bearer plants		**(393)**	(5,765)
Proceeds from disposal of property, plant and equipment		**33**	48
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		**(246)**	9,743

	Note	The Group	
		FY2023	FY2022
		RMB'000	RMB'000
FINANCING ACTIVITIES			
Repayment to a related party		**(123)**	(22,200)
Advances from related parties		**3,922**	10,285
Repayment of bank loan		**(13,920)**	(14,655)
Repayment of interest		**(4,716)**	(3,284)
Repayment of lease liabilities		**(1,684)**	(1,888)
Deposit refunded from/(paid) to corporate guarantors		**1,425**	(1,625)
Bank loan drawdown		**11,000**	18,000
Issue of new ordinary shares, net	**21**	**-**	14,225
NET CASH USED IN FINANCING ACTIVITIES		**(4,096)**	(1,142)
Net (decrease)/increase in cash and cash equivalents		**(7,682)**	7,436
Cash and cash equivalents at beginning of the year		**15,095**	7,566
Exchange difference on cash and cash equivalents		**(60)**	93
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**7,353**	15,095

E. Notes to the condensed 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.

These condensed consolidated financial statements for financial year ended 31 December 2023 (“**FY2023**”) as contained herewith comprise those of the Company and its subsidiaries (collectively, the “**Group**”) (the “**FY2023 Financial Statements**”).

2. Basis of preparation

Save as disclosed in the accounting policies below, the FY2023 Financial Statements are prepared in accordance with historical cost convention issued by the International Accounting Standards Committee.

The FY2023 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 interim financial statements for the six-month period ended 30 June 2023 (“**1H2023**”).

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

The FY2023 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).

2.1. New and amended standards adopted by the Group

During FY2023, the Group adopted the new or amended IFRS and Interpretations of IFRS (“**IFRIC**”) that are mandatory for application from 1 January 2023, and relevant changes to the Group’s accounting policies were made in accordance with the transitional provisions in the respective IFRS and IFRIC. The adoption of these new or amended IFRS and IFRIC did not result in substantial changes to the Group’s and the Company’s accounting policies; neither had they resulted in any material effect on the amounts reported by the Company for the current or prior financial years.

2.2. Use of judgements and estimates

The preparation of the FY2023 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 31 December 2023 and the reported amounts of revenues and expenses for FY2023. Actual results may differ from these estimates.

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 the financial year ended 31 December 2022 (“**FY2022**”).

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 12.1) 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 12.1.

(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 future years 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. The critical assumptions include significant judgement in estimating future cash flows, especially yield, selling price, revenue composition, discount rate, etc. Changes in these key assumptions could affect the recoverable amounts of the cash-generating unit, the agriculture segment.

(c) Impairment of trade and other receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that the trade and other receivables are impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the 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 payments.

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 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.

For the purpose of segmenting reporting, the operating segments of the Group are classified into 'Mining', 'Agriculture' and 'All others' business segments. The Agriculture segment comprises business activities from the cultivation and sale of agriculture produce, and trading of agriculture produce and products via wholesale market. The 'All others' segment includes head office function and treasury /investment activities.

FY2023	Agriculture business RMB'000	Mining RMB '000	All others RMB '000	Total RMB '000
Segment revenue from external customers	8,492	-	-	8,492
Segment loss, representing loss before tax	(66,616)	-	(5,002)	(71,618)
Loss from discontinued operation				(1,287)
Tax credit				41
Loss for the year				(72,864)
Segment assets	133,011	49,992	18,679	**201,682**
Consolidated segment assets				**201,682**
Segment liabilities	(64,739)	-	(21,431)	**(86,170)**
Tax liabilities				**(2,481)**
Consolidated segment liabilities				**(88,651)**

FY2022 (Re-presented)	Agriculture business RMB'000	Mining RMB '000	All others RMB '000	Total RMB '000
Segment revenue from external customers	34,491	-	-	34,491
Segment loss, representing loss before tax	2,507	-	(10,463)	(7,956)
Loss from discontinued operation				(130)
Tax credit				507
Loss for the year				(7,579)
Segment assets	234,246	56,767	26,006	**317,019**
Consolidated segment assets				**317,019**
Segment liabilities	(99,883)	-	(22,013)	**(121,896)**
Tax liabilities				**(2,453)**
Consolidated segment liabilities				**(124,349)**

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 31 December 2022:

	Note	The Group		The Company	
		31 Dec 2023 RMB'000	31 Dec 2022 RMB'000	**31 Dec 2023 RMB'000**	31 Dec 2022 RMB'000
Financial assets					
Financial assets, at FVOCI	**10.1**	**49,992**	56,767	**49,992**	56,767
Financial assets, at FVPL	**10.2**	**-**	-	**-**	-
Financial assets at amortized cost		**26,472**	35,999	**1,836**	883
		76,464	92,766	**51,828**	57,650
Financial liabilities					
Financial liabilities at amortized cost		**83,902**	118,492	**122,262**	118,018
		83,902	118,492	**122,262**	118,018

6. Other income

	Note	**FY2023 RMB'000**	FY2022 RMB'000
Other income		**713**	646
Gain on lease modification		**1,588**	61
Government compensation for land reclamation		**11,348**	-
Foreign currency exchange gain		**-**	129
Government grant		**81**	60
Compensation from insurance		**1,796**	1,217
Rental income		**300**	735
Payables written off		**4,750**	283
Other income		**-**	176
		20,576	**3,307**

Out of the compensation from land reclamation, RMB 4,346,000 was offset with lease liabilities, RMB 4,552,000 has been received, with the remaining sum of RMB 2,450,000 included in other receivables.

7. Other expenses

	Note	**FY2023 RMB'000**	FY2022 RMB'000
Loss on disposal of property, plant and equipment (PPE)		**269**	15
PPE written off		**823**	-
Written off of inventory		**296**	-
Written off of bearer plant		**62,964**	-
Foreign exchange loss		**47**	-
Tax fee		**191**	-
Other expenses		**118**	630
		64,708	645

8. Loss before tax

8.1. Significant items

	Note	FY2023 RMB'000	FY2022 RMB'000
Income			
Interest income		**98**	18
Reversal of allowance for impairment of amount from other receivables		**522**	57
Gain on lease modification		**1,588**	61
Government compensation for land reclamation		**11,348**	-
Other payables written off		**4,750**	283
Expenses			
Interest expense		**2,021**	1,906
Interest on lease liabilities		**2,695**	1,378
Amortisation of land use rights		**2**	2
Amortisation of intangible assets		**118**	118
Depreciation of bearer plants		**2,926**	1,541
Depreciation of property, plant and equipment		**4,401**	4,939
Depreciation of right of use assets		**2,938**	1,739
Loss on disposal of property, plant and equipment		**269**	15
Loss on bearer plant written off		**62,964**	107
Written off of property, plant and equipment		**823**	-
Inventory written off		**735**	-
Foreign exchange (gain)/loss, net		**47**	(129)
Impairment loss on financial assets		**1,719**	1,008

8.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

9. Taxation

Taxation of the Group comprised corporate income tax and land appreciation tax in China. The major components of income tax expense in the FY2023 and FY2022 Financial Statements are:

	FY2023 RMB'000	FY2022 RMB'000
Current tax credit	(40)	(507)
Deferred income tax expense relating to origination and reversal of temporary differences	-	-
	(40)	(507)

10. Discontinued operation

	The Group 31 Dec 2023 RMB'000	31 Dec 2022 RMB'000
Results of discontinued operation		
Revenue	**1,030**	25,888
Cost of sales	**(1,076)**	(25,183)
	(46)	705
Selling and distribution expenses	**(12)**	(807)
General and administrative expenses	**(14)**	(30)
Impairment of financial assets, net	**(746)**	-
Other expenses	**(441)**	-
Finance income	**-**	(2)
Finance expense	**(27)**	-
	(1,286)	(130)
Income tax expense	**(1)**	-
Loss from discontinued operation	**(1,287)**	(130)

During the financial year, since 1H2023, the Group discontinued the not so attractive low yielding line of trading business from internet platform which sells mass-volume, low-margin products sold through the internet platform.

11. Net Asset Value

	The Group		The Company	
	31 Dec 2023 RMB'000	31 Dec 2022 RMB'000	**31 Dec 2023 RMB'000**	31 Dec 2022 RMB'000
Net asset value as at end of financial year	**113,031**	192,670	**80,737**	93,640
Net asset value per ordinary share as at the end of financial period/year				
(RMB cents)(1)	**27.70 cents**	47.22 cents	**19.79 cents**	22.95 cents
(S$ cents)(1)	**5.17 cents**	9.17 cents	**3.85 cents**	4.46 cents

Note:

(1) Calculated based on the exchange rates of S$1:RMB5.36 as at 31 December 2023 and S$1:RMB5.15 as at 31 December 2022. The total number of issued ordinary shares of the Company ("**Shares**") (excluding the 11,500 treasury Shares) are 407,988,500 as at 31 December 2023 and 31 December 2022.

12. Financial assets at fair value

12.1 Financial assets at FVOCI

	The Group and the Company	
	31 Dec 2023	31 Dec 2022
	RMB'000	RMB'000
At the beginning of the year	**56,767**	55,600
Changes in fair value recognised in other comprehensive income	**(6,775)**	1,167
At end of year	**49,992**	56,767
Representing:		
Unquoted equity investments		
Investment in Sino Feng Mining S.àr.l. ("**Sino Feng**")	**49,992**	56,767

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 licence 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 licence, the procurement of which is subject to the settlement of the rehabilitation deposit, amounting to South African2 Rand 10,091,000 (equivalent to RMB3.9 million), as well as the provision of mining program and surveyed plan to the relevant authorities by Sino-Africa.

12.2 Financial assets at FVPL – structured deposits

	The Group	
	31 Dec 2023	31 Dec 2022
	RMB'000	RMB'000
At the beginning of the year	**-**	15,770
Addition	**27,250**	66,540
Redemption	**(27,330)**	(82,461)
Changes in fair value recognised in profit and loss	**80**	151
At end of year	**-**	-
Representing:		
- Non-principal protected financial products	**-**	-

The Group invested in non-principal protected financial products with one of the top 20 commercial banks in China. The investment does not have any fixed maturity term or coupon interest rates or yield return.

12.3. 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 31 Dec 2023	RMB'000	RMB'000	RMB'000
Financial assets, at FVOCI			
- Unquoted equity investment	-	-	**49,992**
Financial assets, at FVPL			
- Structured deposits	-	-	-
	-	-	**49,992**

	The Group		
	Level 1	Level 2	Level 3
As at 31 Dec 2022	RMB'000	RMB'000	RMB'000
Financial assets, at FVOCI			
- Unquoted equity investment	-	-	56,767
Financial assets, at FVPL			
- Structured deposits	-	-	-
	-	-	**56,767**

13. Property, plant and equipment

The Group acquired property, plant and equipment of RMB2,564,000 in FY2023 (FY2022: RMB479,000), which includes transfer from prepayment made in previous year of RMB 1,070,000 with a remaining payable balance included in other payables of RMB1,052,000.

On the other hand, the Group disposed and written off property, plant and equipment with net book value of RMB823,000 and RMB883,000 in FY2023 (FY2022: nil and RMB63,000) respectively.

Some items of equipment with a carrying value of RMB905,000 as at 31 December 2023 (FY2022: RMB1,955,000) have been pledged to a finance company as security for a working capital loan of RMB720,000 (FY2022: RMB856,000) (the "**Mortgaged Loan**").

14. Bearer plants

Borrowing costs, capitalized as the cost of immature plantations for FY2023, amounted to RMB514,000 (FY2022: RMB2,128,000). The interest capitalized is the actual interest incurred on the borrowings to finance the cultivation of the pomegranate plantations.

15. Right-of-use assets

The right-of-use assets (ROU asset) comprise mainly 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. ROU assets reduced significantly due to reduction of leased area as a result of government land reclamation for highway construction and negotiation with lessors.

16. Land use rights

The Group did not acquire or dispose any land use rights in FY2023 and FY2022.

17. Intangibles

Intangibles comprise mainly of trademarks and patents acquired from agriculture operations.

18. Other receivables, deposits and prepayments

	The Group	
	31 Dec 2023	31 Dec 2022
	RMB'000	RMB'000
Advances to staff	**39**	103
Other receivables [1]	**4,025**	604
Deposits paid to corporate guarantors [2]	**1,500**	2,925
Prepayments [3]	**5,303**	6,197
Prepaid rental	**-**	83
Rental deposits	**305**	328
Prepaid business and related tax	**2,396**	2,573
Prepaid construction costs	**-**	1,073
	13,568	13,886

Note:

(1) Other receivable includes government compensation for land reclamation receivable of RMB 2,450,000 (FY 2022: nil).

(2) Deposits paid to third party guarantors relate to corporate guarantee granted to the Group for term loans borrowings (see Note 20).

(3) Prepayments comprise upfront payments made to suppliers in relation to supply of goods, services and legal and professional services.

The above amounts are stated after an expected credit losses provision of RMB 6,132,000 (FY2022: RMB 5,000,000).

19. Accruals and other payables

	The Group	
	31 Dec 2023	31 Dec 2022
	RMB'000	RMB'000
Other payables		
- Construction cost payables[1]	**1,956**	1,926
- Contract liabilities	**-**	101
- Others	**3,431**	7,700
Accrued expenses		
- Accrued business and related taxes	**2,268**	2,303
- Other accrued expenses	**846**	928
	8,501	12,958

Note:

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

20. Borrowings and lease liabilities

		The Group	
	Interest rate p.a.	**31 Dec 2023 RMB'000**	31 Dec 2022 RMB'000
Amount repayable in one year or less or on demand			
Secured bank loans	3.95% to 7.63%	**720**[1]	856[1]
Unsecured			
- Government agency	7%	**10,000**	10,000
- Bank loans	3.95% to 7.63%	**15,571**	18,000
		26,291	28,856
Unsecured			
- Lease liabilities	5.82% to 7.18%	**2,658**	7,463
		28,949	36,319
Amount repayable after one year			
Secured bank loans	3.95% to 7.63%	**-**	720[1]
Unsecured			
- Bank loans	4.37%	**381**	-
- Lease liabilities	5.82% to 7.18%	**30,031**	53,844
		30,412	54,564

Note:

(1) Being the Mortgage Loan.

21. 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 FY2023 and FY2022 are as follows:

		31 Dec 2023			31 Dec 2022		
	Note	**Number of ordinary shares**	**Share capital RMB'000**	**Share premium RMB'000**	Number of ordinary Shares	Share capital RMB'000	Share premium RMB'000
Issued and paid-up Shares at beginning of the year		**408,000,000**	**15,806**	**271,358**	338,000,000	13,142	259,797
Issued during the year		-	-	-	70,000,000	2,664	11,561
Issued and paid-up Shares at end of the year		**408,000,000**	**15,806**	**271,358**	408,000,000	15,806	271,358

The number of Shares (excluding treasury shares) as at 31 December 2023 and 31 December 2022 are 407,988,500. 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	-	602,000
• *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	-
Sub-Total	52.57	751,715	74,857	676,858
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	-
Sub-Total	47.43	678,285	678,285	-
Grand Total	**100.00**	**1,430,000**	**753,142**	**676,858**

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	-
Sub-total	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	-
Sub-total	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 FY2023 and FY2022. Neither was there any ordinary share issued as a result of the exercise of any outstanding share option during FY2023 and FY2022.

Outstanding convertibles, options or dilutive instruments

There were no outstanding convertibles, options or any dilutive instruments that may be converted into new Shares as at 31 December 2023 and 31 December 2022.

22. Treasury Shares

	The Group and the Company			
	As at 31 Dec 2023		As at 31 Dec 2022	
	Number of Ordinary Shares	**RMB'000**	Number of Ordinary Shares	RMB'000
At beginning and end of the year	**11,500**	**18**	11,500	18

There was no sale, transfer, disposal, cancellation or use of treasury Shares during FY2023 and FY2022.

23. Loss per share

	The Group	
	FY2023	FY2022
	RMB'000	RMB'000
Loss after tax attributable to the Shareholders	**(47,814)**	(8,455)
(Loss)/Profit per share (Basic and Diluted)		
- RMB cents[(1)]	**(11.72)**	(2.19)
- S$ cents[(1)]	**(2.23)**	(0.45)

Notes:

(1) Calculated based on the average exchange rates S$1:RMB5.27 for FY2023 and S$1:RMB4.89 for FY2022 and the 407,988,500 weighted average issued Shares (excluding the 11,500 treasury Shares) for FY2023 and 386,317,267 weighted average issued Shares (excluding the 11,500 treasury Shares) for FY2022.

24. Subsequent events

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

Other Information Required by Appendix 7.2 of the Listing Rules

F. Other information

1. Review

The FY2023 Financial Statements (including the relevant explanatory notes) have not been audited or reviewed by the Company's auditors, Crowe Horwath First Trust LLP ("**Crowe Singapore**"). Crowe Singapore issued an unqualified audit opinion for the audited financial statements of the Group for FY2022.

2. Review of the financial performance of the Group for FY2023 (relative to that of FY2022)

(a) Review of the condensed consolidated statement of comprehensive income of the Group

Revenue and Gross Profit

	FY2023 RMB'000	FY2022 RMB'000
Revenue reported for the first half of the year	5,253	15,408
Revenue reported for the second half of the year	2,639	19,083
Total	**8,492**	**34,491**
Operating loss after tax before deducting non-controlling interests for first half year	(8,199)	(7,285)
Operating loss after tax before deducting non-controlling interests for second half year	(64,665)	(294)
Total	**(72,864)**	**(7,579)**

The revenue of the Group in 1H2023 was principally attributed to trading of purchased fruits in its agriculture business segment.

The Group recorded a gross loss of RMB8.3 million in FY2023 as compared to gross profit of RMB11.4 million in FY2022. Revenue from the sale of pomegranate produce have also decreased significantly as compared to FY2022 due to lower demand and harvest in FY2023. Please refer to item 4 below for more details of the business environment.

Selling and distribution expenses

The decrease in selling and distribution expenses was mainly due to lower marketing, warehousing and e-commerce expenses for the lower turnover of the Group's Agriculture business.

Other income

Higher other income in FY2023 were attributed mainly to the one-off non-recurring net gain of RMB11.3 million compensation for reclaiming the Group's farmland for highway construction and the write back of accruals of RMB4.6 million for the previous property projects subsequent to their legal claim periods.

Other expenses

Higher other expenses incurred in FY2023 was mainly due to bearer plant write off of RMB62.9 million.

Total comprehensive loss attributable to shareholders of the Group

Consequence to the above, the net loss attributable to the Shareholders was RMB72.9 million in FY2023 as compared to a loss of RMB7.6 million in FY2022.

(b) Review of the condensed statements of financial position of the Group as at 31 December 2023 (relative to that as at 31 December 2022)

Non-current assets

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

The decrease in bearer plants was mainly attributed to the write off of bearer plants.

The decrease in right of use assets was mainly due to the reduction in leasehold farmland area due to land reclamation and negotiation with lessors.

The decrease in financial assets, at FVOCI, was attributed mainly to the change in fair value in respect of the Thabazimbi Mine.

Current assets

The decrease in inventories was primarily attributed to the consumption of consumable in agriculture business and discontinuation of trading business from internet platform as mentioned in paragraph E.10.

The decrease in trade receivables was mainly due to receipts from customers subsequent to FY2022 and lower sales of agricultural products towards the end of FY2023.

Current liabilities

The decrease in trade payables was due principally to payment made to suppliers.

The increase in accruals and other payables was attributed principally to write back of accruals as mentioned in paragraph 2(a).

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

Non-current liabilities

The amounts due to related parties relates to the interest free loan obtained from a related party during FY2023.

Consequence to the above:

(1) the negative working capital position of the Group remain unchanged from a RMB8.6 million as at 31 December 2022 to a RMB8.6 million* as at 31 December 2023; and
(2) the net asset value of the Group decreased from RMB192.7 million as at 31 December 2022 to RMB113 million as at 31 December 2023, with the net asset value per ordinary share of the Company decreased from 9.17 Singapore cents per share as at 31 December 2022 to 5.17 Singapore cents per share as at 31 December 2023.

*Notwithstanding the net current liability position of the Group as at 31 December 2023, the Group had arranged on standby sufficient banking facilities to bridge the short-term financing needs and procured commitment from certain related parties of the Group to provide financial supports (without charging interest) to the Group in meeting any potential funding requirements.

(c) Review of the condensed consolidated cashflow statement of the Group for FY2022 (relative to that for FY2021)

Net cash used in operating activities

The Group's net cash used in operating activities increased from RMB1.2 million in FY2022 to RMB3.3 million in FY2023. The reversal was mainly attributed to lower revenue level and gross loss position in FY2023.

Net cash generated from investing activities

The Group reversed from a net cash generated from investing activities of RMB9.7 million in FY2022 to a net cash used in investing activities of RMB0.2 million in FY2023. The reversal was mainly attributed to lesser redemption of financial assets, at FVPL - structured deposits, partially offset by lesser capital expenditure on bearer plants.

Net cash used in financing activities

The Group's net cash used in financing activities increased from RMB1.14 million in FY2022 to RMB 4.1 million which was attributed to the absence of proceeds from shares placement and lower loan drawdown during FY2023.

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

Please see item 4 below.

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, one of the leading producers of pomegranates globally, is facing significant challenges in pomegranate cultivation due to extreme weather events. Unpredictable climate patterns, including increased temperatures and extreme weather events such as storms and droughts, have adversely affected the production and quality of pomegranates in various regions of the country.

The Group is also not spared from the extreme weather events and had experienced the Henan torrential deluge during July 2021. The flood aftermath has adversely affected the growth and harvest of the agriculture produce. Hailstorm and rising temperatures have led to altered growing seasons, affecting the flowering and fruiting stages of pomegranate trees. The production of pomegranates had also significantly reduced during FY2023 as compared to FY2022.

It was mentioned in Item 3 of the Company's unaudited results announcement for FY2022 that "barring any unforeseen circumstances, the Board is confident that the Group's performance for FY2023" and in Item 3 of the Company's unaudited results announcement for 1H2023 that "Barring any unforeseen circumstances, the Group expects its performance for the second half of FY2023 ("2H2023") to outperform that of 1H2023.". However, China's post-Covid economic recovery did not take off as expected. Further, aggravated by the protracted trade tensions between China and USA and the Ukraine-Russia war.

China also faces multiple challenges, including sluggish consumer spending, a crisis in the property market, weakening exports, record youth unemployment and high local government debts. Chinese consumers had prioritized essential needs over discretionary spending, leading to a shift in consumption patterns towards necessities and away from luxury or non-essential items. Chinese consumers sees pomegranates as a premium fruit as compared to staple fruits like apples and oranges, negatively impacting consumer demands in FY2023.

Furthermore, during FY2023, the Chinese government has taken back part of the Group's leased farmland for highway construction. While compensation is given for the returning the leased farmland back to the state, it had caused considerable disruptions to the operations of the pomegranate cultivation and harvesting.

Notwithstanding the negative business sentiments, the Group seeks to continue to strengthen its resilience through the following strategies:
(1) Effective pest control, disease management practices and good maintenance of the pomegranate plantations;
(2) Compliance with regulations and certifications for stringent quality and food safety standards;
(3) Adoption of agricultural technologies, including precision farming, automated irrigation systems, and modern postharvest practices; and
(4) Differentiate through branding and superior customer experiences to gain a competitive edge.

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, undue reliance must not be placed on these statements.

5. Dividend information

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

No dividend had been declared or recommended for FY2023 in view of the need by the Group to conserve cash in growing its agriculture business.

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

Not applicable.

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

No dividend was declared in 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. 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.

8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, other than Mr Guo Wenjun, a son of Mr Guo Yinghui, a substantial Shareholder of the Company, the Company confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, Chief Executive Officer or substantial Shareholder of the Company. Mr Guo Wenjun is the Deputy Chairman and Executive Director of the Company.

Signed for and on behalf of the Board of Directors

BY ORDER OF THE BOARD

Mr Zhai Kebin
Executive Chairman & CEO
29 February 2024

Mr Guo Wenjun
Deputy Chairman & Executive Director