



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

Unaudited condensed consolidated financial statements
For the financial period ended 30 September 2023

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

	Note	Group		
		3-months period ended 30 September		
		2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000	Increase / (Decrease) %
Revenue	5	4,305	13,035	(67.0)
Cost of sales		<u>(4,187)</u>	<u>(11,871)</u>	(64.7)
Gross profit		118	1,164	(89.9)
Revenue from investment properties	5	4,254	2,828	50.5
Other operating income	6	547	895	(38.9)
Selling and distribution expenses		(67)	(499)	(86.6)
Administrative expenses		(3,140)	(3,382)	(7.2)
Other operating expenses	6	(867)	(7)	n.m.
Finance costs	6	<u>(70)</u>	<u>(25)</u>	180.0
Profit before taxation		775	974	(20.4)
Taxation	7	<u>564</u>	<u>-</u>	n.m.
Total profit for the year		1,339	974	37.5
Other comprehensive income, net of tax Item that will never be reclassified subsequently to profit or loss:				
Revaluation of property, plant and equipment - leasehold buildings and structural improvements and land use rights classified as property, plant and equipment, net of tax		-	-	-
Total other comprehensive income for the year		<u>1,339</u>	<u>974</u>	37.5
Total comprehensive income for the year attributable to:				
Owners of the Company		<u>1,339</u>	<u>974</u>	37.5
Earnings per share				
- Basic and diluted (RMB cents)	8	<u>0.8</u>	<u>0.6</u>	

*n.m. – not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 September 2023 (Unaudited) RMB'000	30 June 2023 (Audited) RMB'000	30 September 2023 (Unaudited) RMB'000	30 June 2023 (Audited) RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	43,999	45,182	-	-
Intangible assets	11	8	12	-	-
Investment properties	12	252,197	252,197	8,556	8,556
Investments in subsidiaries	13	-	-	154,289	154,289
Total non-current assets		<u>296,204</u>	<u>297,391</u>	<u>162,845</u>	<u>162,845</u>
Current assets					
Inventories		2,996	4,596	-	-
Trade and other receivables		9,615	8,815	159,397	167,615
Prepayments		115	91	115	91
Cash and bank balances		26,180	27,984	2,885	72
		<u>38,906</u>	<u>41,486</u>	<u>162,397</u>	<u>167,778</u>
Total assets		<u>335,110</u>	<u>338,877</u>	<u>325,242</u>	<u>330,623</u>
EQUITY					
Share capital	14	322,210	322,210	322,210	322,210
Share-based payment reserve		2,016	2,016	2,016	2,016
Statutory reserve		30,176	72,558	-	-
Revaluation reserve		45,026	45,026	-	-
Other reserve		28,575	29,349	-	-
Accumulated losses		(134,311)	(178,806)	(40,499)	(39,309)
Total equity attributable to owners of the Company		<u>293,692</u>	<u>292,353</u>	<u>283,727</u>	<u>284,917</u>
LIABILITIES					
Non-current liabilities					
Bank borrowing	15	-	3,592	-	3,592
Deferred tax liabilities		32,837	32,837	-	-
Total non-current liabilities		<u>32,837</u>	<u>36,429</u>	<u>-</u>	<u>3,592</u>
Current liabilities					
Trade and other payables		8,030	8,553	41,515	41,687
Bank borrowing	15	-	427	-	427
Current tax payables		551	1,115	-	-
Total current liabilities		<u>8,581</u>	<u>10,095</u>	<u>41,515</u>	<u>42,114</u>
Total liabilities		<u>41,418</u>	<u>46,524</u>	<u>41,515</u>	<u>45,706</u>
Total equity and liabilities		<u>335,110</u>	<u>338,877</u>	<u>325,242</u>	<u>330,623</u>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Group						
	Share capital	Share-based payment reserve	Statutory reserve	Revaluation reserve	Other reserve – non distributable	Accumulated losses	Total equity
(RMB'000)							
<u>3 months ended 30 September 2023</u>							
<u>(Unaudited)</u>							
At 1 July 2023	322,210	2,016	72,558	45,026	29,349	(178,806)	292,353
Profit for the financial period	-	-	-	-	-	1,339	1,339
Transfer to accumulated losses upon deregistration of a subsidiary (Note 16)	-	-	(42,382)	-	(774)	43,156	-
Total comprehensive income for the financial period	-	-	-	-	-	44,495	1,339
At 30 September 2023	322,210	2,016	30,176	45,026	28,575	(134,311)	293,692
<u>3 months ended 30 September 2022</u>							
<u>(Unaudited)</u>							
At 1 July 2022	322,210	2,016	72,449	43,782	29,349	(185,768)	284,038
Profit for the financial period	-	-	-	-	-	974	974
Total comprehensive income for the financial period	-	-	-	-	-	974	974
At 30 September 2022	322,210	2,016	72,449	43,782	29,349	(184,794)	285,012

	Company			
	Share capital	Share based payment reserve	Accumulated losses	Total equity
(RMB'000)				
<u>3 months ended 30 September 2023</u>				
<u>(Unaudited)</u>				
At 1 July 2023	322,210	2,016	(39,309)	284,917
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(1,190)	(1,190)
Total comprehensive loss for the financial period	-	-	(1,190)	(1,190)
At 30 September 2023	322,210	2,016	(40,499)	283,727
<u>3 months ended 30 September 2022</u>				
<u>(Unaudited)</u>				
At 1 July 2022	322,210	2,016	(42,166)	282,060
Profit for the financial period, representing total comprehensive income for the financial period	-	-	953	953
Total comprehensive income for the financial period	-	-	953	953
At 30 September 2023	322,210	2,016	(41,213)	283,013

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	3-months period from July to September	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Cash flows from operating activities:		
Profit before taxation	775	974
Adjustments for:		
Amortisation of intangible assets	4	6
Depreciation of property, plant and equipment	619	823
Exchange gain	(2)	-
Impairment loss on disposal of property, plant and equipment	729	-
Property, plant and equipment written off	52	-
Interest expense	70	25
Interest income	(163)	(15)
Operating cash flow before working capital changes	2,084	1,813
Decrease in inventories	1,600	4,745
Increase in trade and other receivables and prepayments	(824)	(6,282)
Decrease in trade and other payables	(401)	(3,780)
Cash generated from operations	2,459	(3,504)
Income tax paid	-	15
Interest received	163	-
Net cash generated from / (used in) operating activities	2,622	(3,489)
Cash flows from investing activities:		
Acquisition of property, plant and equipment (Note A)	(316)	(36)
Net cash used in investing activities	(316)	(36)
Cash flows from financing activities:		
Repayment of bank borrowing - principal	(4,022)	(114)
Repayment of bank borrowing - interest	(70)	(25)
Net cash used in financing activities	(4,092)	(139)
Net decrease in cash and cash equivalents	(1,786)	(3,664)
Cash and cash equivalents at beginning of financial period	27,984	17,788
Effect on foreign exchange of rate changes on cash and cash equivalents	(18)	357
Cash and cash equivalents at end of financial period	26,180	14,481

Note A

During the three months ended 30 September 2023, the Group acquired property, plant and equipment with an aggregate cost of RMB 217,000 (30 September 2022 - RMB 36,000). As at 30 September 2023, the amount owing to a contractor for refurbishment work to the leasehold building was RMB Nil (30 June 2023 - RMB 99,000). Total cash payments of RMB 316,000 (30 September 2022 - RMB 36,000), included RMB99,000 (30 September 2022 - RMB Nil) cash payment to the said contractor, were made to purchase property, plant and equipment.

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023**1. General Information**

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

The registered office of the Company is located at 7 Temasek Boulevard #32-01 Suntec Tower One, Singapore 038987. The principal place of business is at No. 2 Dongling Road, Minhou Economic and Technological Development Zone, Ganzhe Street Minhou County, Fuzhou City, Fujian Province, PRC and No.2 Fengsheng Road, Liantang Town, Pucheng County, Nanping City, Fujian Province, PRC.

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

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

2. Basis of preparation

The condensed consolidated interim financial statements of the Group has been prepared on a condensed basis in accordance with the Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 Interim Financial Reporting. They do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2023.

The condensed consolidated interim financial statements, which do not include the full disclosures of the type normally included in full annual financial statements prepared in accordance with the SFRS(I)s, are to be read in conjunction with the last audited financial statements for the year ended 30 June 2023.

Accounting policies and methods of computation used in the condensed consolidated interim financial statements are consistent with those applied in the financial statements for the year ended 30 June 2023, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standard as set out in Note 2.1.

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

2. Basis of preparation (Cont'd)

2.1. New and amended standards adopted by the Group

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

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 17	<i>Insurance contracts</i>	1 January 2023
Amendments to SFRS(I) 1-12	<i>Deferred Tax Related to Assets and Liabilities Arising from A Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 1-8	<i>Definition of Accounting Estimates</i>	1 January 2023
Various SFRS(I)s	<i>SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies</i>	1 January 2023

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

3. Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Notes 10 & 12 – Valuation of right-of-use assets and investment properties
- Note 13 – Impairment of investments in subsidiaries

4. Seasonality of operations

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

5. Segment and revenue information

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

1 July 2023 to 30 September 2023 (Unaudited)	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
Revenue				
- Sale of goods	-	4,305	-	4,305
- Revenue from investment properties	4,254	-	-	4,254
Results				
Segment results	3,422	(837)	(1,174)	1,141
Interest income	-	163	-	163
Impairment loss on property, plant and equipment	-	(729)	-	(729)
Finance costs	(70)	-	-	(70)
Profit/(loss) before taxation	3,352	(1,403)	(1,174)	775
Taxation	(320)	884	-	564
Profit/(loss) after taxation	3,032	(519)	(1,174)	1,339
Other segment items				
Capital expenditure				
- property, plant and equipment	-	217	-	217
- investment properties	-	-	-	-
Property, plant and equipment written off	-	(52)	-	(52)
Depreciation and amortisation	-	623	-	623
Segment assets	257,199	71,787	3,002	331,988
Segment liabilities	3,277	1,868	2,319	7,464

5. Segment and revenue information (cont'd)

1 July 2022 to 30 September 2022 (Unaudited)	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
Revenue				
- Sale of goods	-	13,035	-	13,035
- Revenue from investment properties	2,828	-	-	2,828
Segment results	2,214	(439)	(791)	984
Interest income	-	15	-	15
Finance costs	(25)	-	-	(25)
Profit/(loss) before taxation	2,189	(424)	(791)	974
Taxation	-	-	-	-
Profit/(loss) after taxation	2,189	(424)	(791)	974
Other segment items				
Capital expenditure				
- property, plant and equipment	-	36	-	36
- investment properties	-	-	-	-
Depreciation and amortisation	-	829	-	829
Segment assets	236,255	91,519	895	328,669
Segment liabilities	4,733	7,604	1,5121	13,858

Geographical Information

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

	Group	
	3-months ended 30 September	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Revenue – sale of goods		
- Japan	4,064	12,740
- The People's Republic of China ("PRC")	241	295
Total	4,305	13,035
Revenue – rental income from investment properties		
- PRC	4,187	2,767
- Singapore	67	61
Total	4,254	2,828

5. Segment and revenue information (Cont'd)

Timing of revenue recognition

	Group		
	3 months ended 30 September 2023		
	At a point in time	Over time	Total
	RMB'000	RMB'000	RMB'000
Revenue – sale of goods	4,305	-	4,305
Revenue – rental income from investment properties	-	4,254	4,254
	4,305	4,254	8,559

	Group		
	3 months ended 30 September 2022		
	At a point in time	Over time	Total
	RMB'000	RMB'000	RMB'000
Revenue – sale of goods	13,035	-	13,035
Revenue – rental income from investment properties	-	2,828	2,828
	13,035	2,828	15,863

6. Profit before taxation

6.1 Significant items

	Group		
	3-months period ended 30 September		
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000	Increase / (Decrease) %
Amortisation of intangible assets	(4)	(6)	(33.3)
Depreciation of property, plant and equipment	(619)	(823)	(24.8)
Interest expense	(70)	(25)	180.0
<i>Included in other operating income:</i>			
Foreign currency exchange gain, net	-	791	n.m.
Interest income	163	15	986.7
<i>Included in other operating expenses:</i>			
Foreign currency exchange loss, net	(85)	-	n.m.
Impairment loss of property, plant and equipment	(729)	-	n.m.
Property, plant and equipment written off	(52)	-	n.m.

*n.m. – not meaningful

6.2 Related party transactions

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

7. Taxation

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

	Group	
	3 months ended 30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax expense	(320)	-
Overprovision in respect of prior period	884	-
Total income tax credit	<u>564</u>	<u>-</u>

8. Earnings per share

	Group	
	3 months ended 30 September	
	2023	2022
	(Unaudited)	(Unaudited)
Net profit after tax for the year (RMB'000)	1,339	974
Basic earnings per share (RMB cents)	0.8	0.6
Diluted earnings per share (RMB cents)	0.8	0.6

Earnings per share is calculated based on the Group's net profit after tax for the financial period divided by the total number of issued share capital of the Company amounting to 176,798,164 (FP2023: 176,798,164) shares for the financial period under review.

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

9. Net asset value

	Group		Company	
	30 September	30 June 2023	30 September	30 June 2023
	2023	(Audited)	2023	(Audited)
	(Unaudited)		(Unaudited)	
Net asset value per share (RMB cents)	166.3	165.4	160.5	161.2

The net asset value per ordinary share of the Group and the Company as at 30 September 2023 and 30 June 2023 was calculated based on the total number of issued share capital of the Company of 176,798,164 as at 30 September 2023 and 30 June 2023.

10. Property, plant and equipment

	Leasehold buildings and structural improvements (At valuation) RMB'000	Land use rights (At valuation) RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Fixtures and fittings RMB'000	Construction -in-progress RMB'000	Total RMB'000
3 months ended 30 September 2023 (Unaudited)								
The Group								
<u>At valuation/cost</u>								
At 1 July 2023	29,393	17,367	332	19	5,752	294	121	53,278
Additions	-	-	-	-	217	-	-	217
Reclassification	-	-	-	-	121	-	(121)	-
Written off	-	-	-	-	(100)	-	-	(100)
Elimination of accumulated depreciation	(347)	(112)	-	-	-	-	-	(459)
At 30 September 2023	29,046	17,255	332	19	5,990	294	-	52,936
<u>Accumulated depreciation and impairment</u>								
At 1 July 2023	1,004	5,957	254	19	656	206	-	8,096
Depreciation/amortisation for the financial period	347	112	14	-	138	8	-	619
Impairment loss for the financial period	-	-	48	-	616	65	-	729
Written off	-	-	-	-	(48)	-	-	(48)
Elimination of accumulated depreciation	(347)	(112)	-	-	-	-	-	(459)
At 30 September 2023	1,004	5,957	316	19	1,362	279	-	8,937

10. Property, plant and equipment (Cont'd)

	Leasehold buildings and structural improvements (At valuation) RMB'000	Land use rights (At valuation) RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Fixtures and fittings RMB'000	Construction -in-progress RMB'000	Total RMB'000
3 months ended 30 September 2022 (Unaudited)								
The Group								
<u>At valuation/cost</u>								
At 1 July 2022	40,814	19,157	384	25	6,416	273	-	67,069
Additions	-	-	-	-	32	4	-	36
Reclassification*	-	-	-	-	(341)	-	-	(341)
At 30 September 2022	<u>40,814</u>	<u>19,157</u>	<u>384</u>	<u>25</u>	<u>6,107</u>	<u>277</u>	<u>-</u>	<u>66,764</u>
<u>Accumulated depreciation and impairment</u>								
At 1 July 2022	1,535	5,957	214	24	318	180	-	8,228
Depreciation/amortisation for the financial period	591	135	17	1	68	11	-	823
At 30 September 2022	<u>2,126</u>	<u>6,092</u>	<u>231</u>	<u>25</u>	<u>386</u>	<u>191</u>	<u>-</u>	<u>9,051</u>
Carrying amount:								
At 30 September 2023	<u>28,042</u>	<u>11,298</u>	<u>16</u>	<u>-</u>	<u>4,628</u>	<u>15</u>	<u>-</u>	<u>43,999</u>
At 30 September 2022	<u>38,688</u>	<u>13,065</u>	<u>153</u>	<u>-</u>	<u>5,721</u>	<u>86</u>	<u>-</u>	<u>57,713</u>

*Pertains to VAT receivables that were reclassified to trade and other receivables.

10. Property, plant and equipment (Cont'd)

The Group

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

	30 September 2023 (Unaudited) RMB'000	30 June 2023 (Audited) RMB'000
The Group		
<u>Net book value</u>		
- leasehold buildings	22,180	22,431
- land use rights	11,298	11,410
	<u>33,478</u>	<u>33,841</u>

Management has carried out a review of the key parameters for the valuation of the Group's rights of-use assets which are stated at valuation as at 30 September 2023. The management has adopted the same valuation approach and methodologies, key parameters and assumptions by reference to the valuation performed by independent professional valuers conducted for the financial year ended 30 June 2023. Management is therefore of the view that the fair value of the rights-of-use assets are approximately RMB 33,478,000 as at 30 September 2023.

The recoverable amount is based on their fair value as determined using income approach, which is a fair value hierarchy Level 3 measurement.

The valuation techniques, significant unobservable inputs and inter-relationships between key unobservable inputs and fair values are presented in the Group's audited financial statements for the year ended 30 June 2023.

As at 30 September 2023, impairment indicators are identified and impairment testing has been performed for the Group's plant and equipment to the extent of RMB 1,022,000 relating to the food processing segment. Based on recoverable values determined by management using fair value less cost of disposal, impairment loss of RMB 729,000 has been made for the period ended 30 September 2023.

11. Intangible assets

	30 September 2023 (Unaudited) RMB'000	30 June 2023 (Audited) RMB'000
The Group		
<u>Cost</u>		
Balance at beginning and end of financial period / year	120	120
<u>Accumulated amortisation</u>		
Balance at beginning of financial period / year	108	89
Amortisation for the financial period / year	4	19
Balance at end of financial period / year	<u>112</u>	<u>108</u>
<u>Net book value</u>	<u>8</u>	<u>12</u>

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

12. Investment properties

	Leasehold Buildings RMB'000	Land use Rights RMB'000	Total RMB'000
The Group			
3 months ended 30 September 2023 (Unaudited)			
Balance at beginning	240,897	11,300	252,197
Fair value adjustments	-	-	-
End of the financial period	240,897	11,300	252,197
At 30 June 2023 (Audited)			
Balance at beginning	224,136	11,100	235,236
Additions*	6,569	-	6,569
Compulsory Acquisition	(484)	-	(484)
Transfer from property, plant and equipment	10,504	-	10,504
Exchange difference	871	-	871
Fair value adjustments	(699)	200	(499)
End of the financial year	240,897	11,300	252,197

* Relates to expenditures on renovations and improvements to existing leasehold building which are capitalised.

The management has carried out a review of the key parameters for the valuation of the Group's investment properties which are stated at valuation as at 30 September 2023. The management has adopted the same valuation approach and methodologies, key parameters and assumptions by reference to the valuations performed by independent professional valuers conducted for the financial year ended 30 June 2023. Management is therefore of the view that the fair value of the investment properties are approximately RMB252,197,000 as at 30 September 2023.

The management has considered and adopted the direct comparable method which involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The capitalisation rate applied for the valuation of investment properties was 4.5% - 5.5% for the financial period ended 30 September 2023 (30 June 2023 - 4.5% - 5.5%). The most significant input into this valuation approach is the monthly market rent per square metre of the properties. The higher the market rent, the higher the fair value of the investment properties.

	Leasehold buildings RMB'000
The Company	
3 months ended 30 September 2023 (Unaudited)	
<u>At valuation</u>	
Fair value at 30 September 2023	8,556
At 30 June 2023 (Audited)	
<u>At valuation</u>	
Fair value at 30 June 2023	8,556

13. Investments in subsidiaries

	30 September 2023 (Unaudited) RMB'000	30 June 2023 (Audited) RMB'000
The Company		
Unquoted equity investments, at cost	163,975	163,975
<u>Impairment loss on investment in subsidiaries</u>		
Balance at beginning of financial period / year	(9,686)	(16,195)
Reversal of impairment loss for the financial period / year	-	6,509
	(9,686)	(9,686)
Balance at end of financial period / year	154,289	154,289

The Company assessed the carrying amounts of its investments in subsidiaries for indicators of impairment and carried out a review on the recoverable amounts of its investments in subsidiaries as at the reporting date. The recoverable amounts of these investments are determined based on the revalued net assets of the subsidiaries as at the reporting date under the fair value hierarchy Level 3 measurement. The most significant input into this valuation approach is the selling price per square metre of the properties held by these subsidiaries (Note 12).

Under this assessment, the Company reversed impairment loss for a sum of RMB 6,509,000 for subsidiaries from the Investment Properties segment where the recoverable amount was higher than the carrying amount for the financial year ended 30 June 2023.

The subsidiaries are:

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Cost of investments</u>		<u>Proportion of interests and voting rights held by the Group</u>		<u>Principal activities</u>
		30		30		
		September 2023 RMB'000	30 June 2022 RMB'000	September 2023 %	30 June 2023 %	
<u>Held by the Company</u>						
Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng") (福建望盛实业有限公司)	The People's Republic of China ("PRC")	149,762	149,762	100	100	Production, sales of processed food products and rental revenue from investment properties
Nanping Yuanwang Foods Co., Ltd ("Yuanwang") (南平市元旺食品有限公司)	PRC	14,213	14,213	100	100	Rental revenue from investment properties
<u>Held by Fujian Wangsheng Industrial Co., Ltd.</u>						
Zhangping Fengwang Agricultural Products Co., Ltd ("Fengwang") (漳平市丰旺农产品有限公司)	PRC	-	-	-	100	Rental revenue from from investment properties (Deregistered on 8 August 2023)
Feng Zhi Qiu International Holdings Co., Ltd. (Hong Kong Special Administrative Region) ("Fengzhiqiu") (丰之秋国际控股有限公司)	Hong Kong	-	-	100	100	Sales of processed food products
		<u>163,975</u>	<u>163,975</u>			

14. Share capital

	30 September 2023	30 June 2023
Number of issued shares	'000	'000
Balance at beginning and at end of financial period / year	176,798	176,798
Ordinary shares issued and fully paid	RMB'000	RMB'000
Balance at beginning and at end of financial period / year	322,210	322,210

The Company did not hold any treasury shares as at 30 September 2023 and 30 June 2023.

The Company did not have any outstanding convertibles and subsidiary holdings as at 30 September 2023 and 30 June 2023.

15. Borrowings

Amount repayable in one year or less, or on demand

As at 30 September 2023 (Unaudited)		As at 30 June 2023 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Secured (RMB'000)
NA	NA	427	NA

Amount repayable after one year

As at 30 September 2023 (Unaudited)		As at 30 June 2023 (Audited)	
Secured (RMB'000)	Secured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
NA	NA	3,592	NA

Details of any collateral

The Company has taken a mortgage loan of approximately S\$1.3 million granted by Hong Leong Finance in 2016 to finance the acquisition of an office unit at PLUS (formerly known as GSH Plaza) in Singapore. The tenure of the loan is 15 years. The office unit at PLUS in Singapore has been classified as an investment property to earn rental income. The effective interest rate of the term loan was 5.03% (30 June 2023 – 3.51%) per annum.

The term loan has been fully repaid on 26 September 2023.

16. Deregistration of a subsidiary

During the financial period ended 30 September 2023, following the completion of the Compulsory Acquisition on 22 May 2023 as described in the Annual Report 2023, a wholly-owned subsidiary, Zhangping Fengwang Agricultural Products Co Ltd. became dormant and had been deregistered on 8 August 2023.

17. Subsequent events

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

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The Group's figures for the nine-month period ended 30 September 2023 have been reviewed by the Company's auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The auditors' review report is issued in relation to the Group's Condensed Consolidated Interim Financial Statements which is attached to the financial statement announcement. There are no qualifications or emphasis of matters in the auditor's review report.

2. Review of Performance

Q1FY2024 vs Q1FY2023

Revenue derived from the food processing business was RMB4.3 million in the first quarter ended 30 September 2023 ("Q1FY2024"). The revenue decreased by RMB8.7 million or 67.0% as compared to RMB13.0 million in the first quarter ended 30 June 2023 ("Q1FY2023"). The decrease was mainly due to a significant decrease in sales to overseas markets as a result of decline in demand. The decline in demand in overseas markets are mainly due to weakening in the Japanese Yen against the USD and the global slowdown in economic activity associated to policy tightening to reduce inflation. In addition, the Group has also discontinued certain loss-making products which contributed to the decrease in revenue.

In tandem with the decrease in revenue, cost of sales decreased by RMB7.7 million to RMB4.2 million in Q1FY2024 from RMB11.9 million in Q1FY2023.

Gross profit decreased by RMB1.1 million to RMB0.1 million in Q1FY2024 from RMB1.2 million in Q1FY2023. Gross profit margin also decreased from 8.9% in Q1FY2023 to 2.7% in Q1FY2024. The decrease in gross profit margin was mainly due to higher cost of raw materials and natural gas.

Key ratio from investment properties segment:

	<u>3 months ended</u> <u>30 September</u> <u>2023</u>	<u>3 months ended</u> <u>30 September</u> <u>2022</u>
Revenue from investment properties (RMB'000)	4,254	2,828
Profit margin before tax	78.8%	77.4%
Average occupancy rate	90.2%	84.5%

Revenue generated from investment properties increased by RMB1.4 million or 50.5% to RMB4.3 million in Q1FY2024 from RMB2.8 million in Q1FY2023. This was mainly due to the higher rental rate and occupancy rate. The higher occupancy rate is a result of an increase in net lettable area.

Other operating income decreased by RMB0.4 million to RMB0.5 million in Q1FY2024. The decrease was primarily attributable to the absence of foreign currency exchange gain of RMB0.7 million recorded in Q1FY2023.

Selling and distribution expenses decreased by RMB0.4 million or 86.6% to RMB0.1 million in Q1FY2024 from RMB0.5 million in Q1FY2023, which was in tandem with the lower revenue from food processing business recorded in the current reporting financial period.

Administrative expenses recorded a marginal decrease of RMB0.3 million or 7.2%, from RMB3.4 million in Q1FY2023 to RMB3.1 million in Q1FY2024. The decrease was mainly due to lower staff salaries and related costs as a result of headcount reduction.

2. Review of Performance (cont'd)**Q1FY2024 vs Q1FY2023 (cont'd)**

Other operating expenses increased by RMB0.9 million which was primarily attributable to the impairment loss on property, plant and equipment of RMB0.7 million recognised in Q1FY2024.

Taxation comprises current tax expense and over-provision of income tax in respect of prior period.

As a result of the above mentioned, the Group recorded a profit after tax of RMB1.3 million in Q1FY2024 as compared to RMB1.0 million in Q1FY2023.

Review of Balance Sheet

As at 30 September 2023, non-current assets decreased by RMB1.2 million or 0.4%, to RMB296.2 million as compared to RMB297.4 million as at 30 June 2023. The decrease was mainly due to impairment loss of property, plant and equipment and depreciation of property, plant and equipment during the current reporting financial period.

Current assets decreased by RMB2.6 million from RMB41.5 million as at 30 June 2023 to RMB38.9 million as at 30 September 2023. The decrease mainly arose from lower inventories balance and cash and bank balances which was partially offset by increase in trade and other receivables. The decrease in inventories was in line with the decrease in revenue from food processing business. The increase in trade and other receivables was mainly due to advances of RMB2.7 million made to contractors for improvements and renovations of investment properties in Fuzhou

Non-current liabilities decreased by RMB3.6 million or 9.9%, to RMB32.8 million as compared to RMB36.4 million as at 30 June 2023. This was mainly due to bank borrowing has been fully repaid on 26 September 2023.

Current liabilities decreased by RMB1.5 million or 15.0%, to RMB8.6 million as at 30 September 2023 from RMB10.1 million as at 30 June 2023. This was primarily due to lower trade and other payables, bank borrowing and tax payables.

Total equity increased by RMB1.3 million or 0.5%, from RMB292.4 million as at 30 June 2023 to RMB293.7 million as at 30 September 2023. The increase was due mainly to the higher profit generated during the financial period.

Review of Cash Flow Statement**Q1FY2024 vs Q1FY2023**

For Q1FY2024, the Group recorded net cash generated from operating activities of RMB2.6 million. This was mainly attributable to higher profit generated and lower inventories, which was partially offset by higher trade and other receivables and lower trade and other payables.

Net cash generated from investing activities of RMB0.3 million in Q1FY2024 was primarily due to capital expenditures incurred for acquisition of machinery and equipment.

Net cash used in financing activities of RMB4.1 million in Q1FY2024 was mainly due to repayment of bank borrowing and interest.

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

There were no forecast or prospect statement previously disclosed.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

No applicable

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

Not applicable

5. Commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The PRC government adhere to the general principle of prioritising stability while pursuing progress, accelerated the establishment of a new paradigm of development with a focus on quality and achieving balance between domestics and international situation, economic and social development, the economic activity of PRC has shown signs of stabilisation in third quarter 2023. The Group's operating environment remains volatile and challenging due to the prospects for PRC's domestic economic recovery are still uncertain and weakening demand in the international markets. The Group continued to adopt stable operation strategy and will constantly conduct products line review to streamline those loss-making or extremely low gross margin products.

In addition, the management will continue to promote and innovate with regards to our investment properties business, with the objective to increase the occupancy rate and rental yield to strengthen the competencies and improve the overall performance of the Group. The management will also explore new business opportunities and potential acquisitions of new businesses that are accreditive to the Group for the long term.

6. If a decision regarding dividend has been made

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

None.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

Not applicable.

6. If a decision regarding dividend has been made (cont'd)

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

Not applicable.

- (d) The date the dividend is payable**

Not applicable.

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

Not applicable.

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

The Board of Directors of the Company does not recommend that a dividend be paid for the financial period ended 30 September 2023 as the Company will review its dividend distribution by the end of the current financial year.

8. Interested party transactions

There were no interested person transactions during the financial year ended 30 September 2023.

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

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

The Company confirmed that it has procured undertakings from all its Directors and Executive Officer (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the financial period ended 30 September 2023 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

**CHEN QIUHAI
EXECUTIVE DIRECTOR AND CEO**

**CHEN YING
EXECUTIVE DIRECTOR**

14 November 2023