# YAMADA GREEN RESOURCES LIMITED

**(Company Registration Number 201002962E)**
**(Incorporated in the Republic of Singapore)**

## AND SUBSIDIARIES

## Unaudited condensed consolidated interim financial statements
## For the three months and full year ended 30 June 2021

**TABLE OF CONTENTS**


| Item No | Description | Page |
|---|---|---|
| A. | Condensed interim consolidated statements 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 statements of cash flows | 6 |
| E. | Notes to the condensed interim consolidated financial statements | 7 |
| F. | Other information required by Listing Rule Appendix 7.2 | 17 |

## A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVEINCOME

| | Note | Group | | | | | |
|---|---|---|---|---|---|---|---|
| | | 3-months period ended 30 June | | | 12-months year ended 30 June | | |
| | | FY2021 (Unaudited) RMB'000 | FY2020 (Unaudited) RMB'000 | Increase / (Decrease) % | FY2021 (Unaudited) RMB'000 | FY2020 (Audited) RMB'000 | Increase / (Decrease) % |
| Revenue | 5 | 14,248 | 16,243 | (12.3) | 61,170 | 75,585 | (19.1) |
| Cost of sales | | (11,445) | (11,745) | (2.6) | (53,083) | (62,924) | (15.6) |
| Gross profit | | 2,803 | 4,498 | (37.7) | 8,087 | 12,661 | (36.1) |
| Revenue from investment properties | 5 | 2,203 | 1,268 | 73.7 | 7,936 | 5,267 | 50.7 |
| Other operating income | 6 | 879 | 13,964 | (93.7) | 6,282 | 21,251 | (70.4) |
| Selling and distribution expenses | | (814) | (401) | 103.0 | (1,906) | (1,039) | 83.4 |
| Administrative expenses | | (4,976) | (3,404) | 46.2 | (16,326) | (16,694) | (2.2) |
| Other operating expenses | 6 | (27,356) | (7,037) | 288.8 | (29,220) | (7,572) | 285.9 |
| Finance costs | 6 | (46) | (91) | (49.5) | (195) | (391) | (50.1) |
| (Loss)/profit before taxation | | (27,307) | 8,797 | n.m. | (25,342) | 13,483 | n.m. |
| Taxation | 7 | 5,054 | (6,710) | n.m. | 5,054 | (6,730) | n.m. |
| Net (loss)/profit for the year | | (22,253) | 2,087 | n.m. | (20,288) | 6,753 | n.m. |
| Other comprehensive income | | | | | | | |
| Item that will never be reclassified subsequently to profit or loss | | | | | | | |
| Revaluation of property, plant and equipment - leasehold properties, net of tax | | 1,065 | 3,610 | (70.5) | 1,065 | 3,610 | (70.5) |
| Total comprehensive income | | 1,065 | 3,610 | (70.5) | 1,065 | 3,610 | (70.5) |
| Total comprehensive (loss)/income for the year attributable to: | | | | | | | |
| Owners of the Company | | (21,188) | 5,697 | n.m. | (19,223) | 10,363 | n.m. |
| Earnings / (loss) per share (RMB cent) | 8 | | | | | | |
| - Basic | | (12.6) | 1.2 | | (11.5) | 3.8 | |
| - Diluted | | (12.6) | 1.2 | | (11.5) | 3.8 | |

n.m.: not meaningful

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 30 June 2021 (Unaudited) RMB'000 | 30 June 2020 (Audited) RMB'000 | 30 June 2021 (Unaudited) RMB'000 | 30 June 2020 (Audited) RMB'000 |
| **ASSETS** | | | | | |
| **Non-current assets** | Note | | | | |
| Property, plant and equipment | 11 | 1,360 | 1,039 | - | 1 |
| Right-of-use assets | 12 | 41,948 | 48,238 | - | - |
| Intangible assets | 14 | 55 | 80 | - | - |
| Investment properties | 13 | 240,767 | 230,916 | 7,685 | 7,364 |
| Investments in subsidiaries | 10 | - | - | 153,757 | 149,762 |
| **Total non-current assets** | | 284,130 | 280,273 | 161,442 | 157,127 |
| **Current assets** | | | | | |
| Inventories | | 15,933 | 20,754 | - | - |
| Trade and other receivables | | 9,280 | 8,925 | 171,507 | 146,458 |
| Prepayments | | 86 | 1,928 | 83 | 87 |
| Cash and bank balances | | 29,121 | 22,364 | 1,370 | 149 |
| | | 54,420 | 53,971 | 172,960 | 146,694 |
| Associates classified as held for sale | 15 | - | 30,080 | - | - |
| **Total assets** | | **338,550** | **364,324** | **334,402** | **303,821** |
| **Equity** | | | | | |
| Share capital | 17 | 322,210 | 322,210 | 322,210 | 322,210 |
| Share-based payment reserve | | 2,016 | 2,016 | 2,016 | 2,016 |
| Statutory reserve | | 72,449 | 72,449 | - | - |
| Revaluation reserve | | 42,805 | 41,740 | - | - |
| Other reserve | | 29,349 | 29,349 | - | - |
| Accumulated losses | | (188,356) | (168,068) | (31,915) | (33,474) |
| **Total equity attributable to owners of the Company** | | 280,473 | 299,696 | 292,311 | 290,752 |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Bank borrowings | 16 | 4,002 | 4,673 | 4,002 | 4,673 |
| Deferred tax liabilities | | 33,973 | 39,214 | - | - |
| **Total non-current liabilities** | | 37,975 | 43,887 | 4,002 | 4,673 |
| **Current liabilities** | | | | | |
| Trade and other payables | | 17,702 | 18,347 | 37,689 | 8,002 |
| Bank borrowings | 16 | 2,400 | 2,394 | 400 | 394 |
| **Total current liabilities** | | 20,102 | 20,741 | 38,089 | 8,396 |
| **Total liabilities** | | **58,077** | **64,628** | **42,091** | **13,069** |
| **Total equity and liabilities** | | **338,550** | **364,324** | **334,402** | **303,821** |

## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

| | Group | | | | | | |
|---|---|---|---|---|---|---|---|
| **(RMB'000)** | **Share capital** | **Other reserve – non distributable** | **Share-based payment reserve** | **Statutory reserve** | **Revaluation reserve** | **Accumulated losses** | **Total equity** |
| **FY2021 (Unaudited)** | | | | | | | |
| Balance at 1 July 2020 | 322,210 | 29,349 | 2,016 | 72,449 | 41,740 | (168,068) | 299,696 |
| Profit/ (loss) for the financial year, representing total comprehensive income for the financial year | - | - | - | - | 1,065 | (20,288) | (19,223) |
| Balance as at 30 June 2021 | 322,210 | 29,349 | 2,016 | 72,449 | 42,805 | (188,356) | 280,473 |
| **FY2020 (Audited)** | | | | | | | |
| Balance at 1 July 2019 | 322,210 | 29,349 | 2,016 | 71,135 | 38,130 | (173,507) | 289,333 |
| Profit for the financial year, representing total comprehensive income for the financial year | - | - | - | - | 3,610 | 6,753 | 10.363 |
| Contribution by and distribution to owners of the Company | | | | | | | |
| Transfer to other reserve | - | - | - | 1,314 | - | (1,314) | - |
| | - | - | - | 1,314 | - | (1,314) | - |
| Balance as at 30 June 2020 | 322,210 | 29,349 | 2,016 | 72,449 | 41,740 | (168,068) | 299,696 |

| | Company | | | |
|---|---|---|---|---|
| **(RMB'000)** | **Share capital** | **Share based payment reserve** | **Accumulated losses** | **Total equity** |
| **FY2021 (Unaudited)** | | | | |
| Balance as at 1 July 2020 | 322,210 | 2,016 | (33,474) | 290,752 |
| Profit for the financial year, representing total comprehensive income for the financial year | - | - | 1,559 | 1,559 |
| **Total comprehensive loss for the year** | | | | |
| Balance as at 30 June 2021 | 322,210 | 2,016 | (31,915) | 292,311 |
| **(RMB'000)** | | | | |
| **FY2020 (Audited)** | | | | |
| Balance as at 1 July 2019 | 322,210 | 2,016 | (28,912) | 295,314 |
| Loss for the financial year, representing total comprehensive loss for the financial year | - | - | (4,562) | (4,562) |
| **Total comprehensive loss for the year** | - | - | (4,562) | (4,562) |
| Balance as at 30 June 2020 | 322,210 | 2,016 | (33,474) | 290,752 |

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

| | Group | | | |
|---|---|---|---|---|
| | 3 months ended | | 12 months ended | |
| | **FY2021 (Unaudited) RMB'000** | **FY2020 (Unaudited) RMB'000** | **FY2021 (Unaudited) RMB'000** | **FY2020 (Audited) RMB'000** |
| **Cash flows from operating activities:** | | | | |
| (Loss)/profit before taxation | (27,307) | 8,797 | (25,342) | 13,483 |
| Adjustments for: | | | | |
| Amortisation of land use rights | - | (405) | - | - |
| Amortisation of intangible assets | 7 | 6 | 25 | 23 |
| Bad debts written off | - | - | 68 | - |
| Depreciation of property, plant and equipment | 54 | (2,054) | 195 | 172 |
| Depreciation of right of use assets | 733 | 3,361 | 2,862 | 3,361 |
| Fair value loss/(gain) on investment properties | 26,489 | (14,069) | 26,489 | (14,069) |
| Gain on disposal of property,plants and equipment | - | - | (3,555) | - |
| Impairment of right of use assets | 530 | 6,962 | 530 | 6,962 |
| Interest expense | 46 | 91 | 195 | 391 |
| Interest income | (157) | (25) | (227) | (58) |
| Property, plant and equipment written off | 10 | 25 | 22 | 27 |
| Reversal of write-down of inventories to net realisable value | - | (1,274) | - | (1,274) |
| Exchange (gain) / loss | 52 | 25 | 989 | (240) |
| Operating cash flow before working capital changes | 457 | 1,440 | 2,251 | 8,778 |
| Working Capital Changes: | | | | |
| Inventories | (1,825) | (2,666) | 4,821 | 4,353 |
| Trade and other receivables | 9,702 | 3,465 | 1,420 | 14,539 |
| Trade and other payables | (16,006) | (5,196) | (645) | (16,488) |
| Cash generated from operations | (7,672) | (2,957) | 7,847 | 11,182 |
| Interest received | 157 | 25 | 227 | 58 |
| Income tax paid | (110) | (134) | (110) | (154) |
| **Net cash generated from/(used in) operating activities** | (7,625) | (3,066) | 7,964 | 11,086 |
| **Cash flows from investing activities:** | | | | |
| Acquisition of property, plant and equipment | (126) | (3,982) | (568) | (9,911) |
| Acquisition of rights-of-use assets | (1,742) | - | (4,775) | - |
| Improvements to investment properties | (15,407) | | (27,679) | - |
| Acquisition of intangible assets | - | - | - | (33) |
| Proceeds from disposal of property, plant and equipment | 1 | - | 3,585 | - |
| Receipts from disposal of investment in associate | 30,080 | 9,853 | 30,080 | 9,853 |
| **Net cash generated from / (used in) investing activities** | 12,806 | 5,871 | 643 | (91) |
| **Cash flows from financing activities:** | | | | |
| Proceeds from bank borrowings | - | - | 2,000 | 4,000 |
| Repayment of bank borrowings | (101) | (2,099) | (2,404) | (5,381) |
| Interest paid | (46) | (91) | (195) | (391) |
| **Net cash used in financing activities** | (147) | (2,190) | (599) | (1,772) |
| Net increase in cash and cash equivalents | 5,034 | 615 | 8,008 | 9,223 |
| Cash and cash equivalents at beginning of the financial period | 24,203 | 21,671 | 22,364 | 12,901 |
| Effect of foreign exchange rate changes on cash and cash equivalents | (116) | 78 | (1,251) | 240 |
| **Cash and cash equivalents at end of the financial period** | 29,121 | 22,364 | 29,121 | 22,364 |

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS AND FULL YEAR ENDED 30 JUNE 2021

### 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.

The principal activity of the Company are sales of processed food products and edible fungi, and rental revenue from investment properties.

### 2. Basis of preparation

These consolidated financial statements are unaudited and prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They do not include all of the information required for full annual financial statements and should be read in conjunction with the last audited annual financial statements for the year ended 30 June 2020 ("FY2020 Audited Financial Statements").

The FY2020 Audited Financial Statements were prepared under Singapore Financial Reporting Standards(International) (SFRS(I)).

The accounting policies and presentation adopted for this unaudited consolidated interim financial reportare consistent with those adopted for the FY2020 Audited Financial Statements.

The financial statements are 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.

### 3. Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financialstatements as at and for the year ended 30 June 2020.

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 critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 13 – determination of fair value of investment property.

### 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.

| | Investment properties | Processed food products | Corporate | Total |
|---|---|---|---|---|
| | **RMB'000** | **RMB'000** | **RMB'000** | **RMB'000** |
| **FY2021 (Unaudited)** | | | | |
| **Revenue** | | | | |
| - Sale of goods | - | 61,170 | - | 61,170 |
| - Revenue from investment properties | 7,936 | - | - | 7,936 |
| **Results** | | | | |
| Segment results | 6,313 | (1,825) | (2,821) | 1,667 |
| Interest income | - | 227 | - | 227 |
| Fair value loss on investment properties | (26,489) | | | (26,489) |
| Property, plant and equipment written off | | (22) | - | (22) |
| Impairment of right of use assets | | (530) | - | (530) |
| Finance costs | (105) | (90) | - | (195) |
| Loss before taxation | (20,281) | (2,240) | (2,821) | (25,342) |
| Taxation | 5,031 | 23 | - | 5,054 |
| Loss after taxation | (15,250) | (2,217) | (2,821) | (20,288) |
| Other segment items | | | | |
| Capital expenditure | | | | |
| - property, plant and equipment | - | 568 | - | 568 |
| - Rights-of-use assets | - | 4,775 | - | 4,775 |
| - investment properties | 27,679 | - | - | 27,679 |
| Property, plant and equipment written off | - | 22 | - | 22 |
| Fair value loss on investment properties | 26,489 | - | - | 26,489 |
| Impairment of right of use assets | - | 530 | - | 530 |
| Depreciation and amortisation | - | 3,082 | - | 3,082 |
| **Segment assets** | 240,871 | 96,217 | 1,462 | 338,550 |
| **Segment liabilities** | 4,402 | 51,034 | 2,641 | 58,077 |
| **FY2020 (Audited)** | | | | |
| **Revenue** | | | | |
| - Sale of goods | - | 75,585 | - | 75,585 |
| - Revenue from investment properties | 5,267 | - | - | 5,267 |
| **Results** | | | | |
| Segment results | 2,961 | 7,699 | (3,866) | 6,794 |
| Fair value gain on investment properties | 14,069 | - | - | 14,069 |
| Property, plant and equipment written off | - | (27) | - | (27) |
| Impairment of right of use assets | - | (6,962) | - | (6,962) |
| Finance costs | (251) | (140) | - | (391) |
| Profit / (loss) before taxation | 16,779 | 570 | (3,866) | 13,483 |
| Taxation | (8,317) | 1,588 | (1) | (6,730) |
| Profit / (loss) after taxation | 8,462 | 2,158 | (3,867) | 6,753 |
| Other segment items | | | | |
| Capital expenditure | | | | |
| - property, plant and equipment | - | 9,911 | - | 9,911 |
| - intangible assets | - | 33 | - | 33 |
| - | | | | |
| Property, plant and equipment written off | - | 27 | - | 27 |
| Fair value gain on investment properties | 14,069 | - | - | 14,069 |
| Impairment of right of use assets | - | 6,962 | - | 6,962 |
| Depreciation and amortisation | - | 3,510 | 1 | 3,511 |
| **Segment assets** | 230,916 | 100,026 | 238 | 331,180 |
| **Segment liabilities** | 5,067 | 13,770 | 2,602 | 21,439 |

**Geographical Information**

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

| | Group | | | |
|---|---|---|---|---|
| | 3-months period ended 30 June | | 12-months ended 30 June | |
| | **FY2021 RMB'000** | **FY2020 RMB'000** | **FY2021 RMB'000** | **FY2020 RMB'000** |
| Sales of goods | | | | |
| - China (domicile) | 840 | 1,619 | 7,065 | 15,187 |
| - Japan | 13,408 | 14,624 | 54,105 | 60,398 |
| Total | 14,248 | 16,243 | 61,170 | 75,585 |
| Revenue from investment properties | | | | |
| - China (domicile) | 2,143 | 1,247 | 7,694 | 5,246 |
| - Singapore | 60 | 21 | 242 | 21 |
| Total | 2,203 | 1,268 | 7,936 | 5,267 |

**Timing of revenue recognition**

| | Group | | | Group | | |
|---|---|---|---|---|---|---|
| | **3 months ended 30 June 2021** | | | **12 months ended 30 June 2021** | | |
| | **At a point in time** | **Over time** | **Total** | **At a point in time** | **Over time** | **Total** |
| | **RMB'000** | **RMB'000** | **RMB'000** | **RMB'000** | **RMB'000** | **RMB'000** |
| Sales of goods | 14,248 | - | 14,248 | 61,170 | - | 61,170 |
| Revenue from investment properties | - | 2,203 | 2,203 | - | 7,936 | 7,936 |
| | 14,248 | 2,203 | 16,451 | 61,170 | 7,936 | 69,106 |

| | **3 months ended 30 June 2020** | | | **12 months ended 30 June 2020** | | |
|---|---|---|---|---|---|---|
| | **At a point in time** | **Over time** | **Total** | **At a point in time** | **Over time** | **Total** |
| | **RMB'000** | **RMB'000** | **RMB'000** | **RMB'000** | **RMB'000** | **RMB'000** |
| Sales of goods | 16,243 | - | 16,243 | 75,585 | - | 75,585 |
| Revenue from investment properties | - | 1,268 | 1,268 | - | 5,267 | 5,267 |
| | 16,243 | 1,268 | 17,511 | 75,585 | 5,267 | 80,852 |

**A breakdown of sales**

| | Group | | |
|---|---|---|---|
| | **FY2021 (Unaudited) RMB'000** | **FY2020 (Unaudited) RMB'000** | **Increase / (Decrease) %** |
| Sales reported for: | | | |
| - first half year | | | |
| - Sale of goods | 31,132 | 42,156 | (26.2) |
| - Revenue from investment properties | 3,792 | 2,706 | 40.2 |
| - second half year | | | |
| - Sale of goods | 30,038 | 33,429 | (10.2) |
| - Revenue from investment properties | 4,144 | 2,561 | 61.9 |
| Operating profit / (loss) after tax before deducting minority interests reported for: | | | |
| - first half year | 1,384 | 4,545 | (69.5) |
| - second half year | (21,672) | 2,208 | n.m. |

## 6. 6.1 Loss before Tax

### Significant items

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | 3 months ended | | | 12 months ended | | |
| | **30 June 2021 (Unaudited) RMB'000** | **30.June 2020 (Unaudited) RMB'000** | **Increase / (Decrease) %** | **30 June 2021 (Unaudited) RMB'000** | **30 June 2020 (Unaudited) RMB'000** | **Increase / (Decrease) %** |
| Amortisation of land use rights | - | 405 | n.m. | - | - | n.m. |
| Amortisation of intangible assets | (7) | (6) | 16.7 | (25) | (23) | 8.7 |
| Depreciation of property, plant and equipment | (54) | 2,054 | n.m. | (195) | (172) | 13.4 |
| Depreciation of rights-of-use assets | (733) | (3,361) | (78.2) | (2,862) | (3,361) | (14.9) |
| Interest expense | (46) | (91) | (49.5) | (195) | (391) | (50.1) |
| Included in other operating income:- | | | | | | |
| Gain on disposal of property, plants and equipment | - | - | - | 3,555 | - | n.m. |
| Government subsidies | 35 | 401 | (91.3) | 926 | 419 | 121.0 |
| Interest income | 157 | 25 | 528.0 | 227 | 58 | 291.4 |
| Reversal of write-down of inventories to net realisable value | - | 1,274 | n.m. | - | 1,274 | n.m. |
| Included in other operating expenses:- | | | | | | |
| Foreign currency exchange (loss) / gain, net | (290) | (817) | (64.5) | (1,925) | 385 | n.m. |
| Fair value (loss)/gain on investment properties | (26,489) | 14,069 | n.m. | (26,489) | 14,069 | n.m. |
| Impairment of right of use assets | (530) | (6,962) | (92.4) | (530) | (6,962) | (92.4) |
| Property, plant and equipment written off | (10) | (25) | (60.0) | (22) | (27) | (18.5) |
| Bad debts written off | - | - | - | (68) | - | 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 June | | 12 months ended 30 June | |
| | **2021** | **2020** | **2021** | **2020** |
| | **(Unaudited)** | **(Unaudited)** | **(Unaudited)** | **(Audited)** |
| | **RMB'000** | **RMB'000)** | **RMB'000** | **RMB'000** |
| Current income tax expense | (110) | (134) | (110) | (154) |
| Deferred tax -Origination and reversal of temporary difference | 5,164 | (6,576) | 5,164 | (6,576) |
| Total income tax credit/ (expense) | 5,054 | (6,710) | 5,054 | (6,730) |

## 8. Earnings per share

| | Group | | | |
|---|---|---|---|---|
| | 3 months ended 30 June | | 12 months ended 30 June | |
| | **2021 (Unaudited)** | **2020 (Unaudited)** | **2021 (Unaudited)** | **2020 (Audited)** |
| Net (loss)/profit after tax for the year (RMB'000) | (22,253) | 2,087 | (20,288) | 6,753 |
| Basic (loss)/earnings per share (RMB cent) | (12.6) | 1.2 | (11.5) | 3.8 |
| Diluted (loss)/earnings per share (RMB cent) | (12.6) | 1.2 | (11.5) | 3.8 |

Earnings per share is calculated based on the Group's net profit/ loss after tax for the year divided by the total number of issued share capital of the Company amounting to 176,798,164 (FY2020: 176,798,164) shares for the year under review.

## 9. Net asset value

| | Group | | Company | |
|---|---|---|---|---|
| | **30 June 2021 (Unaudited)** | **30 June 2020 (Audited)** | **30 June 2021 (Unaudited)** | **30 June 2020 (Audited)** |
| Net Asset Value per share (RMB cents) | 158.6 | 169.5 | 165.3 | 164.5 |

The net asset value per ordinary share of the Group and the Company as at 30 June 2021 and 30 June 2020 was calculated based on the total number of issued share capital of the Company of 176,798,164 as at 30 June 2021 and 30 June 2020.

## 10. Investment in Subsidiaries

| The Company | **FY2021 RMB'000 (Unaudited)** | **FY2020 RMB'000 (Audited)** |
|---|---|---|
| Unquoted equity investments, at cost | 163,975 | 163,975 |
| Impairment loss on investment in a subsidiary | | |
| Balance at beginning and end of year | (14,213) | (14,213) |
| Reversal of impairment | 3,995 | - |
| Balance at end of year | 153,757 | 149,762 |

The subsidiaries are:

| Name | Country of incorporation/ principal place of business | Cost of investments | | Proportion of interests and voting rights held by the Group | | Principal activities |
|---|---|---|---|---|---|---|
| | | 30 June 2021 RMB'000 | 30 June 2020 RMB'000 | 30 June 2021 % | 30 June 2020 % | |
| Held by the Company | | | | | | |
| 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 and sales of processed food products |
| 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 |
| Held by Fujian Wangsheng Industrial Co., Ltd. | | | | | | |
| Zhangping Fengwang Agricultural Products Co., Ltd ("Fengwang") * (漳平市丰旺农产品有限公司) | PRC | - | - | 100 | 100 | Sales of edible Fungi, rental revenue from Investment properties |
| Zhangping Senwang Forestry Co., Ltd. ("Senwang")*,# (漳平市森旺林业有限公司) | PRC | - | - | - | 100 | Forestry management |
| Fuzhou Kangzhimei Foods Co., Ltd ("Kangzhimei")*, # (福州康之美食品有限公司) | PRC | - | - | - | 100 | Sales of processed food products |
| 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 |
| Held by Nanping Yuanwang Foods Co., Ltd. | | | | | | |
| Nanping Lijiashan Forestry Co., Ltd ("Lijiashan") *,# (南平市李家山林业有限公司) | PRC | - | - | - | 100 | Forestry management, cultivation and sales of edible fungi and vegetables |
| Held by Nanping Lijiashan Forestry Co., Ltd. | | | | | | |
| Sanming Shansheng Forestry Co., Ltd ("Shansheng") *,# (三明山盛林业有限公司) | PRC | - | - | - | 100 | Forestry management cultivation and sales of edible fungi and vegetables |
| | | 163,975 | 163,975 | | | |

## 11. Property, plant and equipment

During FY2021, the Group acquired assets amounting to RMB0.6 million (FY2020: RMB9.9 million). Also, there were assets disposed and written off amounting to RMB0.1 million (FY2020: RMB0.03 million).

## 12. Rights-of-use assets

| FY2021 (Unaudited)<br>The Group | Leasehold buildings RMB'000 | Land use rights RMB'000 | Total RMB'000 |
|---|---|---|---|
| Balance at 30 June 2020 | 38,123 | 17,077 | 55,200 |
| Additions | 4,775 | - | 4,775 |
| Transfer to investment properties | (8,661) | - | (8,661) |
| Elimination of accumulated depreciation | (2,398) | (464) | (2,862) |
| Revaluation adjustments | (1,416) | 2,404 | 988 |
| Balance at 30 June 2021 | 30,423 | 19,017 | 49,440 |
| Accumulated depreciation and impairment | | | |
| Balance at 30 June 2020 | 1,005 | 5,957 | 6,962 |
| Depreciation/amortisation during the year | 2,398 | 464 | 2,862 |
| Elimination of accumulated depreciation | (2,398) | (464) | (2,862) |
| Impairment during the year | 530 | - | 530 |
| Balance at 30 June 2021 | 1,535 | 5,957 | 7,492 |
| Carrying amount: | | | |
| Balance at 30 June 2021 | 28,888 | 13,060 | 41,948 |

| FY2020 (Audited)<br>The Group | Leasehold buildings RMB'000 | Land use rights RMB'000 | Total RMB'000 |
|---|---|---|---|
| At Valuation | | | |
| Adoption of SFRS(I) 16: | | | |
| - Reclassification from property, plant and equipment | 62,162 | - | 62,162 |
| - Reclassification from land use rights | - | 24,939 | 24,939 |
| Balance at 1 July 2019 | 62,162 | 24,939 | 87,101 |
| Reclassification from CIP | 3,735 | - | 3,735 |
| Transfer to investment properties | (27,973) | - | (27,973) |
| Revaluation adjustments | 3,018 | 425 | 3,443 |
| Elimination of accumulated depreciation | (2,819) | (8,287) | (11,106) |
| Balance at 30 June 2020 | 38,123 | 17,077 | 55,200 |
| Accumulated depreciation and impairment | | | |
| Adoption of SFRS(I) 16: | | | |
| - Reclassification from land use rights | - | 7,790 | 7,790 |
| Balance at 1 July 2019 | - | 7,790 | 7,790 |
| Depreciation/amortisation during the year | 2,819 | 497 | 3,316 |
| Elimination of accumulated depreciation | (2,819) | (8,287) | (11,106) |
| Impairment during the year | 1,005 | 5,957 | 6,962 |
| Balance at 30 June 2020 | 1,005 | 5,957 | 6,962 |
| Carrying amount: | | | |
| Balance at 30 June 2020 | 37,118 | 11,120 | 48,238 |

The impairment loss for the financial year ended 30 June 2021 was because the carrying amount was lower than its fair value net of any previous gains recognised in other comprehensive income as a result of the change in market conditions. The recoverable amount is based on their fair value less cost to sell as determined using income approach, which is a fair value hierarchy Level 2 measurement.

## 13. Investment property

| FY2021 (Unaudited)<br>The Group | Leasehold buildings<br>RMB'000 | Land use rights<br>RMB'000 | Total<br>RMB'000 |
|---|---|---|---|
| Balance at 30 June 2020 | 220,426 | 10,490 | 230,916 |
| Additions | 27,679 | - | 27,679 |
| Transfer from ROU assets | 8,661 | - | 8,661 |
| Fair value gains/(losses) included in profit or loss | (26,899) | 410 | (26,489) |
| Balance at 30 June 2021 | 229,867 | 10,900 | 240,767 |

| FY2020 (Audited)<br>The Group | Leasehold buildings<br>RMB'000 | Land use rights<br>RMB'000 | Total<br>RMB'000 |
|---|---|---|---|
| At valuation | | | |
| At 1 July 2018 | 173,352 | - | 173,352 |
| Transfer from property, plant and equipment (net) | 8,605 | - | 8,605 |
| Fair value loss | (1,259) | - | (1,259) |
| 30 June 2019 | 180,698 | - | 180,698 |
| Adoption of SFRS(I) 16: | | | |
| - Reclassification from land use rights | - | 1,857 | 1,857 |
| Balance at 1 July | 180,698 | 1,857 | 182,555 |
| Reclassification from CIP | 6,752 | - | 6,752 |
| Transfer from ROU assets | 27,973 | - | 27,973 |
| Elimination of accumulated depreciation | - | (433) | (433) |
| Fair value gain | 5,003 | 9,066 | 14,069 |
| Balance at 30 June 2020 | 220,426 | 10,490 | 230,916 |
| Accumulated depreciation and impairment loss | | | |
| At 1 July 2018 | - | - | - |
| Depreciation for the year | - | - | - |
| 30 June 2019 | - | - | - |
| Adoption of SFRS(I) 16: | - | - | - |
| Reclassification from land use rights | - | 388 | 388 |
| Balance at 1 July 2019 | - | 388 | 388 |
| Other adjustment | - | 45 | 45 |
| Elimination of accumulated depreciation | - | (433) | (433) |
| Balance at 30 June 2020 | - | - | - |
| Carrying amount | | | |
| Balance at 30 June 2020 | 220,426 | 10,490 | 230,916 |

Investment properties are carried at fair value as at 30 June 2021 as determined by the independent professional valuers, Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. and Savills Real Estate Valuation (Guangzhou) Ltd.. The Investment properties are carried at fair value as at 30 June 2020 as determined by the independent professional valuers, Colliers International Consultancy & Valuation (Singapore) Pte. Ltd and Jones Lang LaSalle Corporate Appraisal and Advisory Limited. The valuers have considered valuation techniques including the depreciated replacement cost approach, direct comparable method and income capitalisation approach in arriving at the open market value as at the balance sheet date. The direct comparable method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation rate applied for the valuation of investment properties for FY2021 was 4.5%- 5.5% in FY2021 (FY2020: 5.5% - 6%).

At each financial year end, the Group's finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to prior year valuation report; and
- holds discussions with the independent valuer.

## 14. Intangible assets

| The Group | FY2021 (Unaudited) RMB'000 | FY2020 (Audited) RMB'000 |
|---|---|---|
| Cost | | |
| Balance at beginning of year | 120 | 87 |
| Additions | - | 33 |
| Balance at end of year | 120 | 120 |
| Accumulated amortisation | | |
| Balance at beginning of year | 40 | 17 |
| Amortisation for the year | 25 | 23 |
| Balance at end of year | 65 | 40 |
| Net book value | 55 | 80 |

## 15. Associates classified as held for sale

| The Group | FY2021 (Unaudited) RMB'000 | FY2020 (Audited) RMB'000 |
|---|---|---|
| Balance at beginning of the year | 30,080 | 39,933 |
| Less: Receipts of proceeds | (30,080) | (9,853) |
| Balance at end of year | - | 30,080 |

The Company refers to its announcements made on 23 and 29 April 2019, 21 June 2019, 4 September 2019 and 30 October 2019 in relation to the disposal by its wholly-owned subsidiary, Fujian Wangsheng ("Wangsheng") of its 45% equity interest in the registered capital of its associate, Fujian Tianwang Foods Co., Ltd. ("Tianwang"). Pursuant to the Revised Agreement, the Purchaser shall pay Wangsheng the consideration of RMB39,933,000 ("Consideration") in accordance with the terms and conditions of the Revised Agreement. As at 24 June 2021, the Purchaser has made full payment of the consideration to Wangsheng, and Wangsheng has on 24 June 2021 completed the disposal of the associate to the Purchaser.

## 16. Borrowings

**Amount repayable in one year or less, or on demand**

| As at 30 June 2021 (Unaudited) | | As at 30 June 2020 (Audited) | |
|---|---|---|---|
| Secured (RMB'000) | Unsecured (RMB'000) | Secured (RMB'000) | Secured (RMB'000) |
| 2,400 | NA | 2,394 | NA |

**Amount repayable after one year**

| As at 31 June 2021 (Unaudited) | | As at 31 June 2020 (Audited) | |
|---|---|---|---|
| Secured (RMB'000) | Secured (RMB'000) | Secured (RMB'000) | Unsecured (RMB'000) |
| 4,002 | NA | 4,673 | NA |

**Details of any collateral**

The Company's wholly-owned subsidiary, Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng"), has entered into a multiple credit facility agreement dated 26 February 2019 with China Everbright Bank in relation to a credit facility of up to an aggregate principal amount of RMB50.0 million to be granted by the China Everbright Bank commencing from 26 February 2019 to 25 February 2022 (the "Facility Agreement"). Wangsheng has pledged its factory and office building in Houyu Jingxi Town, Minhou County, Fuzhou City, Fujian Province as securities under the Facility Agreement.

In addition, Wangsheng has also been granted a credit facility (the "Facility") of up to an amount of RMB15.0 million from 1 November 2019 to 31 October 2022 by the Postal Savings Bank of China. Mr Chen Qiuhai, the Executive Director and Chief Executive Officer of the Company has provided a personal guarantee for payment of all monies and liabilities owed by Wangsheng to Postal Savings Bank of China up to RMB15.0 million. Wangsheng has pledged partial factories and buildings in Minhou County, Fuzhou City, Fujian Province as securities pursuant to the Facility.

Subsequent to full repayment of outstanding loan, Wangsheng further drew down an amount of RMB2.0 million from the amount granted by Postal Savings Bank of China for general working capital purposes in November 2020.

In addition, 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. On 14 July 2020, the Company has accepted a letter of offer which stipulated the variation of terms of the mortgage loan from Hong Leong Finance.

As at 30 June 2021, the Group's outstanding loan amount was approximately RMB6.4 million, of which approximately RMB2.4 million is repayable within 1 year and the rest of the loan amount is repayable after 1 year.

## 17. Share capital

| | FY2021 Number of shares '000 | FY2020 Number of shares '000 |
|---|---|---|
| **Number of issued shares** | | |
| Balance at beginning and at end of year | 176,798 | 176,798 |

| | FY2021 RMB'000 | FY2020 RMB'000 |
|---|---|---|
| **Ordinary shares issued and fully paid** | | |
| Balance at beginning and at end of year | **322,210** | **322,210** |

The Company did not hold any treasury shares as at 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 30 June 2020.

## 18. 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 condensed consolidated statement of financial position of Yamada Green Resources Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve months period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of Performance

**Q4FY2021 vs Q4FY2020**

Our revenue generated from the food processing business was RMB14.2 million in the fourth quarter ended 30 June 2021 ("Q4FY2021"). The revenue decreased by RMB2.0 million or 12.3% as compared to RMB16.2 million in the fourth quarter ended 30 June 2020 ("Q4FY2020"). This was mainly due to lower sales volume of the processed food products as a result of the challenging market condition caused by the Covid-19 pandemic in both local and overseas markets.

In tandem with the decrease in revenue, gross profit decreased by RMB1.7 million to RMB2.8 million in Q4FY2021 from RMB4.5 million in Q4FY2020. Gross profit margin decreased from 27.7% in Q4FY2020 to 19.7% in Q4FY2021 as a result of fluctuation in foreign currency exchange caused by the weakening of USD against RMB in Q4FY2021.

Income derived from our investment properties increased by RMB0.9 million or 73.7%, to RMB2.2 million in Q4FY2021 from RMB1.3 million in Q4FY2020. This was primarily due to an increase in space rented out during the financial period.

Other operating income decreased by RMB13.1 million or 93.7%, to RMB0.9 million in Q4FY2021 from RMB14.0 million in Q4FY2020. This was mainly attributable to the absence of fair value gain on the investment properties of RMB14.1 million recorded in Q4FY2020. Other operating income also comprised of interest income and other miscellaneous income.

Selling and distribution costs increased by RMB0.4 million to RMB0.8 million in Q4FY2021 from RMB0.4 million in Q4FY2020. This was primarily due to higher sea freight charges as a result of shortage in shipping container.

Administrative expenses increased by RMB1.6 million or 46.2%, from RMB3.4 million in Q4FY2020 to RMB5.0 million in Q4FY2021. This mainly arose from higher staff related cost, including a provision for staff bonus and welfare.

Other operating expenses increased by RMB20.4 million from RMB7.0 million in Q4FY2020 to RMB27.4 million in Q4FY2021, primarily attributable to a loss of RMB26.5 million from changes in fair value of the investment properties. During the financial period, independent valuation experts were appointed to assess the fair value of the investment properties and leasehold properties of the Group. The increase in other operating expenses was partially offset by a lower impairment loss on right-of-use assets in Q4FY2021.

Finance costs decreased from RMB0.09 million in Q4FY2021 to RMB0.05 million in in Q4FY2020 as a result of lower interest rates.

There was an income tax credit of RMB5.1 million in Q4FY2021 as compared to an income tax expenses of RMB6.7 million in Q4FY2020. The changes mainly due to deferred income tax credit arising from the changes in fair value of investment properties in Q4FY2021.

As a result of the above mentioned, the group recorded a loss after tax of RMB22.3 million in Q4FY2021in contrast to a profit after tax of RMB2.1 million in Q4FY2020. Excluding the changes in fair value of the investment properties, the loss before tax was RMB0.8 million in Q4FY2021.

**FY2021 vs FY2020**

For the financial year ended 30 June 2021 ("FY2021"), revenue decreased by RMB14.4 million or 19.1% to RMB61.2 million as compared to RMB75.6 million for the financial year ended 30 June 2020 ("FY2020"). This was mainly due to declines in both domestic and export sales in FY2021 as a result of the challenging market condition caused by the Covid-19 pandemic and fluctuation in foreign currency exchange rate.

In line with the decrease in revenue, gross profit for FY2021 decreased by RMB4.7 million to RMB8.1 million in FY2021 from RMB12.7 million in FY2020. Gross profit margin decreased to 13.2% in FY2021 from 16.8% in FY2020. This mainly arose from increases in raw material and labour costs and the fluctuation in foreign currency exchange rate.

Income generated from investment properties increased by RMB2.6 million or 50.7% to RMB7.9 million in FY2021 from RMB5.3 million in FY2020. This was due to an increase in space rented out during the financial year.

Other operating income decreased by RMB15.0 million or 70.4% to RMB6.3 million in FY2021 from RMB21.3 million in FY2020. This was primarily attributable to the absence of fair value gain on the investment properties of RMB14.1 million recorded in FY2020. Other operating income in FY2021 consisted of gain on disposal of property, plant and equipment, government subsidies, interest income and other miscellaneous income.

For FY2021, selling and distribution costs increased by RMB0.9 million to RMB1.9 million, mainly due to higher sea freight charges as a result of the shortage in shipping container.

Administrative expenses decreased by RMB0.4 million or 2.2% to RMB16.3 million in FY2021 as compared to RMB16.7 million in FY2020. The decrease was due mainly to lower maintenance costs for factory buildings during the financial year.

Other operating expenses increased by RMB21.6 million to RMB29.2 million in FY2021 from RMB7.6 million in FY2020, primarily attributable to a loss of RMB26.5 million from changes in fair value of the investment properties. During the financial year, independent valuation experts were appointed to assess the fair value of the investment properties and leasehold properties of the Group The increase in other operating expenses was partially offset by a lower impairment loss on right-of-use assets in FY2021.

Finance costs decreased from RMB0.4 million in FY2020 to RMB0.2 million in FY2021, mainly because of lower interest rates in FY2021.

There was an income tax credit of RMB5.1 million in FY2021 in contrast to an income tax expenses of RMB6.7 million in FY2020. The changes mainly due to deferred income tax credit arising from the changes in fair value of investment properties in FY2021.

As a result of the above, the Group recorded a loss after tax of RMB20.3 million for FY2021, as compared to a profit after tax of RMB6.8 million for FY2020. Profit before tax excluding changes in fair value of the investment properties was RMB1.2 million in FY2021.

**Review of Balance Sheet**

As at 30 June 2021, non-current assets increased by RMB3.8 million or 1.4%, to RMB284.1 million as compared to RMB280.3 million as at 30 June 2020. The increase was mainly due to capital expenditure incurred for reconstruction and renovation of our factory building, warehouse buildings and investment properties in Fuzho, and was partially offset by loss from changes in fair value of investment property and impairment loss on rights-of-use assets.

Current assets increased by RMB0.4 million from RMB54.0 million as at 30 June 2020 to RMB54.4 million as at 30 June 2021. The increase was mainly attributable to an increase in cash and bank balances of RMB6.8 million, and was partially offset by a decrease in inventories of RMB4.8 million and decrease in prepayments.

As at 30 June 2021, non-current liabilities decreased by RMB5.9 million or 13.4%, to RMB38.0 million as compared to RMB43.9 million as at 30 June 2020. This mainly arose from a decrease in deferred tax liabilities as a result of changes in fair value of investment properties and rights-of-use assets, and decrease in bank borrowings.

Current liabilities decreased by RMB0.6 million or 3.1%, to RMB20.1 million as at 30 June 2021 from RMB20.7 million as at 30 June 2020. This was primarily due to a decrease in amount payable to our suppliers of raw materials which was in line with lower sales revenue.

Our capital and reserves decreased by RMB19.3 million or 6.4%, from RMB299.7million as at 30 June 2020 to RMB280.4 million as at 30 June 2021. The movement was mainly due to a net loss after tax of RMB20.3 million for FY2021, partially offset by an increase in revaluation reserve of RMB1.0 million during the financial year.

***Review of Cash Flow Statement***

**Q4FY2021 vs Q4FY2020**

For the three months ended 30 June 2021, we recorded net cash used in operating activities of RMB7.6 million in Q4FY2021. This was mainly attributable to higher inventories and lower payables which were partially offset by lower receivables.

Net cash generated from investing activities of RMB12.8 million in Q4FY2021 was primarily due to receipts from disposal of investment in associate. The net cash inflow was partially offset by capital expenditures incurred for improvement to investment properties in Fuzhou.

There was a net cash outflow of RMB0.1 million in financing activities in Q4FY2021 due mainly to repayment of bank borrowings.

**FY2021 vs FY2020**

In FY2021, the Group recorded a positive operating cash flow of RMB2.3 million before working capital changes. After taking into account changes in working capital changes of RMB5.6 million, interest received and income tax paid, net cash generated from operating activities was RMB8.0 million. The changes in working capital were mainly due to lower inventories and receivables which was partially offset by lower trade and other payables.

Net cash generated from investing activities of RMB0.6 million in FY2021 was primarily due to receipts from disposal of investment in associate and disposal of property, plants and equipment. The net cash inflow was partly offset by capital expenditures incurred for improvement to investment properties in Fuzhou.

There was a net cash outflow of RMB0.6 million in financing activities in FY2021 which mainly arose from repayment of bank borrowings and interest expenses, which was partially offset by proceeds from bank borrowings.

**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.**

Due to the ongoing Covid-19 pandemic, the Group continues to face challenging market conditions as the Group derives quite a substantial part of its revenue from overseas markets, such as Japan, which was severely affected by the pandemic. As such, we will continue to explore new customers in domestic market in order to cushion the impact of the decrease in overall sales. In addition, we will also actively market and promote the leasing of our investment properties so as to achieve steady recurring income and growth.

The Group will continue to exercise stringent cost management, build rapport and improve business relationships with major customers. We will focus on high value-added processed food products and proactively explore new markets to drive the performance of the Group. The Management believes and are making efforts in building a stronger foundation and creating a sustainable growth for the Group.

Update on Suspension

The Company refers to its announcements on 4 September 2017, 5 September 2017, 6 September 2017, 1 April 2018, 27 September 2017, 17 November 2017, 12 February 2018, 29 March 2018, 1 April 2018, 24 July 2018, 21 August 2018 12 September 2018, 31 October 2018, 28 January 2019 and 9 February 2019, and the subsequent updates contained in paragraph 10 of its results announcements on 28 August 2020, 30 October 2020, 9 February 2021 and 14 May 2021 ("**Suspension Related Announcements**") in relation to its application for voluntary suspension and related events following the suspension. Unless otherwise specified, all capitalised terms shall have the same meaning ascribed to them in the Suspension Related Announcements.

The Company wishes to update as follows:

1. The Internal Control Review Report submitted to the Audit Committee and SGX on 2 August 2019 is still pending SGX approval for finalisation. The Audit Committee and Crowe Horwath continue to engage SGX on the same.

2. The Company was unable to get any of the Big Four accounting firms to accept the appointment for its FY2021 Audit. In this regard, following a conference call with SGX on 26 July 2021, SGX has on 20 August 2021 informed the Company that in light of the foregoing, the Company is to reach out to the mid-tier audit firms to provide a second audit opinion on the financial statements for FY2021. In the meantime, the Company shall continue its statutory audit engagement with its current statutory auditor, Foo Kon Tan LLP, for the audit of the financial statements for FY2021. The Company will initiate contact with the mid-tier audit firms to discuss their potential appointment for the second audit opinion.

3. The AC has been working closely with the Board and management on the improvement of the group's finance function, controls and oversight. These include increasing the headcounts in Finance Department, tightening controls on cash management, fine-tuning the investment policies and procedures, strengthening the controls and protection of data and IT system, and implementing further internal audit procedures that require attention of the Board.

The Company and the Audit Committee will continue to engage SGX proactively to work towards the lifting of the suspension and the resumption of trading. The Company would make the necessary announcements on SGXNET as and when there is any material development.

**6. If a decision regarding dividend has been made**

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

None.

**(b)** (i) Amount per share

Not Applicable.

(ii) Previous corresponding period

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable

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

In view of there is huge uncertainty on how long the pandemic will last, the operating environment is therefore expected to remain challenging in the months ahead and it is critical for the Group to conserve its cash resources so as to sustain its business operations, Therefore, the Board of Directors of the Company does not recommend that a dividend be paid for the year ended 30 June 2021. The Company will use its best effort to ensure dividend paid out in future

**8. Interested party transactions**

There were no interested person transactions during the financial year ended 30 June 2021.

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

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

The Company has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

**10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

| Name | Age | Family relationship with any director and / or substantial shareholders | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|---|---|---|---|---|
| Goi Lang Ling | 50 | Daughter of Goi Seng Hui, Substantial Shareholder of the Company | - Non-Executive Director<br>- Ms Goi discharge her duties as a member of the Remuneration Committee under its Terms of Reference of the Committee.<br>- 2019 | None |

The following directors have confirmed that as at 30 June 2021, there were no appointments of any relative of any Director/Chief Officer/Substantial Shareholder of the issuer who were holding a managerial position in the issuer or any of its principal subsidiaries:

Mr Chen Qiuhai
Ms Chen Ying
Mr Chang Feng-chang
Mr Liu Yi
Mr Tan Kah Ghee

**Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the three-month period ended 30 June 2021 to be false or misleading in any material aspect.

**ON BEHALF OF THE BOARD**

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

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

**28 AUGUST 2021**