

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

Nine months ended 31 March 2023

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

The Board of Directors
Yamada Green Resources Limited

Introduction

We have reviewed the accompanying statement of financial position of Yamada Green Resources Limited (the "Company") and the condensed consolidated statement of financial position of the Company and its subsidiaries (the "Group") as at 31 March 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine-month period then ended and certain explanatory notes (the "Condensed Consolidated Interim Financial Statements"). Management is responsible for the preparation and presentation of this Condensed Consolidated Interim Financial Statements in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Consolidated Interim Financial Statements based on our review.

Scope of review

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

Conclusion

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

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

Other Matter

Restriction on use

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



Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 11 May 2023

Condensed consolidated statements of financial position as at 31 March 2023

		The Company		The Group	
		31 March 2023 RMB'000	30 June 2022 RMB'000	31 March 2023 RMB'000	30 June 2022 RMB'000
	Note				
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	-	-	59,163	58,841
Intangible assets		-	-	16	31
Investment properties	5	7,685	7,685	240,192	235,236
Investments in subsidiaries	6	151,625	147,780	-	-
		159,310	155,465	299,371	294,108
Current Assets					
Inventories		-	-	6,805	15,712
Trade and other receivables		167,570	171,415	10,401	9,401
Prepayments		114	61	783	61
Cash and bank balances		634	161	15,663	17,788
		168,318	171,637	33,652	42,962
Total assets		327,628	327,102	333,023	337,070
EQUITY					
Capital and Reserves					
Share capital		322,210	322,210	322,210	322,210
Share-based payment reserve		2,016	2,016	2,016	2,016
Statutory reserve		-	-	72,449	72,449
Revaluation reserve		-	-	46,170	43,782
Other reserve		-	-	29,349	29,349
Accumulated losses		(41,787)	(42,166)	(187,642)	(185,768)
Total equity attributable to owners of the Company		282,439	282,060	284,552	284,038
LIABILITIES					
Non-Current Liabilities					
Bank borrowings	7	3,535	3,674	3,535	3,674
Deferred tax liabilities		-	-	31,709	31,317
		3,535	3,674	35,244	34,991
Current Liabilities					
Trade and other payables		41,217	41,041	12,790	17,714
Bank borrowings	7	437	327	437	327
		41,654	41,368	13,227	18,041
Total liabilities		45,189	45,042	48,471	53,032
Total equity and liabilities		327,628	327,102	333,023	337,070

On behalf of the Directors
Approved by:



Chen Ying



Tan Kah Ghee

11 May 2023

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

Condensed consolidated statement of profit or loss and other comprehensive income

for the nine months ended 31 March 2023

The Group	Note	Nine months ended 31 March	
		2023 RMB'000	2022 RMB'000
Revenue	8	29,261	45,610
Cost of sales		(27,337)	(40,636)
Gross profit		1,924	4,974
Revenue from rental income from investment properties	8	7,547	6,763
Other operating income		801	1,589
Selling and distribution expenses		(828)	(1,483)
Administrative expenses		(9,697)	(10,053)
Other operating expenses		(1,757)	(220)
Finance costs		(92)	(100)
(Loss)/profit before taxation	9	(2,102)	1,470
Taxation	10	228	(1,334)
Net (loss)/profit for the period		(1,874)	136
Other comprehensive income, net of tax			
Items that will not reclassified subsequently to profit or loss:			
Revaluation of leasehold buildings and structural improvements and land use rights classified as property, plant and equipment measured at fair value, net of tax		2,388	230
Total comprehensive income for the period attributable to owners of the Company		514	366
		Cents RMB	Cents RMB
(Loss)/earnings per share:			
- Basic	12	(1.1)	0.1
- Diluted	12	(1.1)	0.1

On behalf of the Directors
Approved by:



Chen Ying



Tan Kah Ghee

11 May 2023

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

Condensed consolidated statement of changes in equity for the nine months ended 31 March 2023

The Group	Share capital RMB'000	Share-based payment reserve RMB'000	Statutory reserve RMB'000	Revaluation reserve - non- distributable RMB'000	Other reserve - non- distributable RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 July 2022	322,210	2,016	72,449	43,782	29,349	(185,768)	284,038
Loss for the financial period	-	-	-	-	-	(1,874)	(1,874)
Other comprehensive income for the financial period	-	-	-	2,388	-	-	2,388
Total comprehensive income/(expense) for the financial period	-	-	-	2,388	-	(1,874)	514
At 31 March 2023	322,210	2,016	72,449	46,170	29,349	(187,642)	284,552

The Group	Share capital RMB'000	Share-based payment reserve RMB'000	Statutory reserve RMB'000	Revaluation reserve - non- distributable RMB'000	Other reserve - non- distributable RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 July 2021	322,210	2,016	72,449	42,805	29,349	(188,356)	280,473
Profit for the financial period	-	-	-	-	-	136	136
Other comprehensive income for the financial period	-	-	-	230	-	-	230
Total comprehensive income/(expense) for the financial period	-	-	-	230	-	136	366
At 31 March 2022	322,210	2,016	72,449	43,035	29,349	(188,220)	280,839

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

Condensed consolidated statement of cash flows

for the nine months ended 31 March 2023

The Group	Nine months ended 31 March	
	2023 RMB'000	2022 RMB'000
Cash Flows from Operating Activities		
(Loss)/profit before taxation	(2,102)	1,470
Adjustments for:		
Depreciation of property, plant and equipment	2,564	2,327
Amortisation of intangible assets	15	18
Property, plant and equipment written off	10	1
Exchange (gain)/loss	(96)	142
Fair value loss on investment properties	1,614	-
Interest expense	92	100
Interest income	(35)	(345)
Operating cash flows before working capital changes	2,062	3,713
Decrease in inventories	8,907	4,834
Increase in trade and other receivables and prepayments	(1,217)	(8,832)
Decrease in trade and other payables	(6,691)	(493)
Cash generated from/(used in) operations	3,061	(778)
Income tax paid	(175)	(74)
Interest received	35	345
Net cash generated from/(used in) operating activities	2,921	(507)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(55)	(821)
Acquisition of investment properties	(6,570)	-
Partial consideration received in advance from Compulsory Acquisition of land and buildings (Note 4)	1,600	-
Net cash used in investing activities	(5,025)	(821)
Cash Flows from Financing Activities		
Repayment of bank borrowings – principal	(323)	(2,262)
Repayment of bank borrowings – interest	(92)	(100)
Net cash used in financing activities	(415)	(2,362)
Net decrease in cash and cash equivalents	(2,519)	(3,690)
Cash and cash equivalents at beginning of period	17,788	29,121
Effect on foreign exchange of rate changes on cash and cash equivalents	394	(279)
Cash and cash equivalents at end of period	15,663	25,152

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

Notes to the condensed consolidated interim financial statements

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

The condensed consolidated interim financial statements were authorised for issue by the directors on 11 May 2023.

1 Corporate information

The Company was incorporated in Singapore on 8 February 2010 as a private limited company under the name Yamada Green Resources Pte. Ltd. On 28 September 2010, the Company was converted into a public company and assumed the present name of Yamada Green Resources Limited. The Company was listed on the SGX-ST on 8 October 2010.

The registered office of the Company is located at 7 Temasek Boulevard #32-01 Suntec Tower One, Singapore 038987. The principal place of business is at No. 2 Dongling Road, Minhou Economic and Technological Development Zone, Ganzhe Street Minhou County, Fuzhou City, Fujian Province, the People's Republic of China ("PRC").

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

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

2 Basis of preparation

The condensed consolidated interim financial statements of the Group has been prepared on a condensed basis in accordance with the Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. They do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2022.

The condensed consolidated interim financial statements, which do not include the full disclosures of the type normally included in full annual financial statements prepared in accordance with the SFRS(I)s, are to be read in conjunction with the last audited financial statements for the year ended 30 June 2022.

Accounting policies and methods of computation used in the condensed consolidated interim financial statements are consistent with those applied in the financial statements for the year ended 30 June 2022, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standard as set out in Note 2.1.

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

2.1 Adoption of new and amended standards

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

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 3	<i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020:		
- Amendments to SFRS(I) 9	<i>Fees in the '10 per cent' Test for Derecognition of Financial Liabilities</i>	1 January 2022
- Amendments to SFRS(I) 16	<i>Lease Incentives</i>	1 January 2022
- Amendments to SFRS(I) 1-41	<i>Taxation in Fair Value Measurements</i>	1 January 2022

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

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements as at and for the financial year ended 30 June 2022.

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 4 & 5 – Valuation of right-of-use assets and investment properties
- Note 6 – Impairment of investments in subsidiaries

3 Seasonal operations

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

4 Property, plant and equipment

The Company

During the nine months ended 31 March 2023, the Company has no acquisition of assets (31 March 2022 - Nil) and no disposal of assets (31 March 2022 - Nil).

The Group

Compulsory Acquisition of land and buildings

On 10 January 2023, the Company announced that its wholly-owned subsidiary, Fengwang, has received a notification dated 10 January 2023 from the Zhangping Municipal government of plans to acquire land and buildings belonging to Zhangping Fengwang Agricultural Products Co. Ltd. ("Fengwang") located at Luoan Food Industrial Park Houfu Village, Guilin Street Zhangping City Fujian Province, the People's Republic of China, for purpose of redevelopment planning programme ("Compulsory Acquisition").

On 13 March 2023, Fengwang has entered into an agreement with Zhangping City Land Management Center 漳平市土地征收储备中心 (representing the Zhangping Municipal government) and Fujian Zhangping Industrial Park Management Committee 福建漳平工业园区管理委员会 in relation to the Compulsory Acquisition ("Acquisition Agreement"). The total consideration for the Compulsory Acquisition is RMB 8,000,000, equivalent to approximately S\$ 1,556,000 (based on an exchange rate of S\$1 : RMB5.14) (the "Acquisition Consideration").

As per the Acquisition Agreement, the Acquisition Consideration is payable to Fengwang as follows:

- (a) 20% within 15 days from the date of the Acquisition Agreement;
- (b) 80% within 15 days from the date of the completion of the Compulsory Acquisition.

The details of the said land and buildings of the Compulsory Acquisition are as follows:

Land and buildings recorded under the Group's property, plant and equipment

Description	Gross floor area (sq.m)	Tenure	Net book value (At valuation)	
			31 March 2023 RMB'000	30 June 2022 RMB'000
<u>Leasehold building (including structural improvements)</u>				
办公楼	2,318	50 years	673	483
厂房	(2022: 2,318)	leasehold up to 18.04.2063	573	727
<u>Land use rights</u>				
People's Government of Zhangping City	19,678 (2022: 19,678)	50 years leasehold up to 18.04.2063	2,080	2,070
			3,326	3,280

4 Property, plant and equipment (Cont'd)

Compulsory Acquisition of land and buildings (Cont'd)

Land and buildings recorded under the Group's investment properties (Note 5)

<u>Description and location</u>	<u>Gross floor area (sq.m)</u>	<u>Tenure</u>	<u>Net book value (At valuation)</u>	
			<u>31 March 2023 RMB'000</u>	<u>30 June 2022 RMB'000</u>
Buildings				
Luoan Food Industrial Park, Houfu Village, Guilin Street, Zhangping City Fujian Province, The PRC	900 (2022: 900)	50 years leasehold up to 18.04.2063	484	470
At fair value			484	470

The investment property belonging to Fengwang were rented to two tenants and the tenancies were terminated early by Fengwang due to the Compulsory Acquisition. The extent of compensation to these tenants approximates RMB450,000.

For this interim period, management has engaged the external independent valuer, who performed the annual valuation of these properties belonging to Fengwang for the financial year ended 30 June 2022, to conduct an updated valuation for internal reference purposes based on the valuation conducted for the financial year ended 30 June 2022, on the basis that there have been no material changes to internal conditions of these properties between the inspection date of previous valuation report and the date of valuation as of 7 March 2023. The said independent professional valuer generally adopted the valuation methodology, key parameters and assumptions similar to that of the valuation conducted for the financial year ended 30 June 2022.

The Group has received 20% of the total consideration of RMB 1,600,000 on 30 March 2023. This partial Acquisition Consideration received in advance has been included under trade and other payables of RMB 12,790,000 as at 31 March 2023.

As at the date of this condensed consolidated interim financial statements, the Compulsory Acquisition transaction has yet to be completed.

Yamada Green Resources Limited and its subsidiaries
Notes to the condensed consolidated interim financial statements
Nine months ended 31 March 2023

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4 Property, plant and equipment (Cont'd)

The Group

	Leasehold buildings and structural improvements RMB'000 (At valuation)	Land use rights RMB'000 (At valuation)	Motor vehicles RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Fixtures and fittings RMB'000	Total RMB'000
At 30 June 2022							
At Valuation/Cost	40,814	19,157	384	25	6,416	273	67,069
Accumulated depreciation and impairment loss	(1,535)	(5,957)	(214)	(24)	(318)	(180)	(8,228)
Net book value at 30 June 2022	39,279	13,200	170	1	6,098	93	58,841
9 months ended 31 March 2023							
At Valuation/Cost							
At 1 July 2022	40,814	19,157	384	25	6,416	273	67,069
Additions	-	-	-	-	34	21	55
Reclassification*	-	-	-	-	(341)	-	(341)
Written off	-	-	-	-	(5)	(15)	(20)
Revaluation adjustments	2,486	696	-	-	-	-	3,182
Elimination of accumulated depreciation	(1,722)	(406)	-	-	-	-	(2,128)
At 31 March 2023	41,578	19,447	384	25	6,104	279	67,817
Accumulated depreciation and impairment loss							
At 1 July 2022	1,535	5,957	214	24	318	180	8,228
Written off	-	-	-	-	(2)	(8)	(10)
Depreciation for the period	1,722	406	49	1	357	29	2,564
Elimination of accumulated depreciation	(1,722)	(406)	-	-	-	-	(2,128)
At 31 March 2023	1,535	5,957	263	25	673	201	8,654
Comprising:							
- Accumulated depreciation	-	-	263	25	673	201	1,162
- Accumulated impairment loss	1,535	5,957	-	-	-	-	7,492
Net book value							
At 31 March 2023	40,043	13,490	121	-	5,431	78	59,163

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

4 Property, plant and equipment (Cont'd)

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

	31 March 2023 RMB'000	30 June 2022 RMB'000
The Group		
Net book value		
- leasehold buildings	31,368	30,807
- land use rights	13,490	13,200
	44,858	44,007

Arising from Compulsory Acquisition, 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 31 March 2023. The management has generally 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 2022. Management is therefore of the view that the fair value of the rights-of-use assets are approximately RMB 44,858,000 as at 31 March 2023.

Included in the carrying amount of the rights-of-use assets of RMB 44,858,000 (30 June 2022 - RMB 44,007,000) are Fengwang's leasehold buildings and land use rights totalling RMB 3,326,000 which are subject to the Compulsory Acquisition. As at the date of this condensed consolidated interim financial statements, the Compulsory Acquisition transaction has yet to be completed.

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 2022.

5 Investment properties

	Leasehold buildings RMB'000 (At valuation)	Total RMB'000
The Company		
At 30 June 2022		
At valuation		
Fair value at 30 June 2022	7,685	7,685
9 months ended 31 March 2023		
At valuation		
At 1 July 2022	7,685	7,685
Fair value adjustments	-	-
Fair value at 31 March 2023	7,685	7,685

5 Investment properties (Cont'd)

The Group	Note	Leasehold buildings RMB'000 (At valuation)	Land use rights RMB'000 (At valuation)	Total RMB'000
At 30 June 2022				
<u>At valuation</u>				
Fair value at 30 June 2022		224,136	11,100	235,236
9 months ended 31 March 2023				
<u>At valuation</u>				
At 1 July 2022		224,136	11,100	235,236
Additions*		6,570	-	6,570
Fair value adjustments	9	(1,814)	200	(1,614)
Fair value at 31 March 2023		228,892	11,300	240,192

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

Similarly, arising from the Compulsory Acquisition as described in Note 4, 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 31 March 2023. The management has generally 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 2022. Management is therefore of the view that the fair value of the investment properties are approximately RMB 240,192,000 as at 31 March 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 31 March 2023 (30 June 2022 - 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.

Included in the carrying amount of the investment properties of RMB 240,192,000 (30 June 2022 - RMB 235,236,000) are Fengwang's leasehold buildings and land use rights totalling RMB 484,000 which are subject to the Compulsory Acquisition. As at the date of this condensed consolidated interim financial statements, the Compulsory Acquisition transaction has yet to be completed.

6 Investments in subsidiaries

	31 March 2023 RMB'000	30 June 2022 RMB'000
The Company		
Unquoted equity investments, at cost	163,975	163,975
<u>Impairment loss on investments in subsidiaries</u>		
Balance at beginning of period/year	(16,195)	(10,218)
Impairment loss for the period/year	-	(5,977)
Reversal of impairment loss for the period/year	3,845	-
	(12,350)	(16,195)
Balance at end of period/year	151,625	147,780

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. 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 5).

For financial year ended 30 June 2022, under this assessment, the Company recognised an impairment loss of RMB 5,977,000 for subsidiaries from the Investment Properties segment where the recoverable amount was lower than the carrying amount. During the financial period ended 31 March 2023, the Company reversed impairment loss of RMB 3,845,000 for subsidiaries from the Investment Properties Segment where the recoverable amounts were higher than the carrying amounts.

7 Bank borrowings

	The Company 31 March 2023 RMB'000	30 June 2022 RMB'000	The Group 31 March 2023 RMB'000	30 June 2022 RMB'000
Secured bank loan:				
#1 Term loan	3,972	4,001	3,972	4,001
Amount repayable:				
Not later than one year	437	327	437	327
Later than one year and not later than five years	1,639	1,308	1,639	1,308
Later than five years	1,896	2,366	1,896	2,366
	3,535	3,674	3,535	3,674
	3,972	4,001	3,972	4,001

The term loan of S\$ 774,000 or equivalent to RMB 3,972,000 (30 June 2022 - S\$ 831,000 or equivalent to RMB 4,001,000) is repayable over 105 (30 June 2022 - 108) monthly instalments commencing from 13 July 2016 with a principal payment of S\$ 9,904 (30 June 2022 - S\$ 7,022) plus any applicable interest.

The Company has financial covenants attached to this term loan which relate to restriction of limits imposed on certain ratios to be maintained. During the financial period ended 31 March 2023, there are no known instances of any breach of covenants.

As at the end of the reporting period, the effective interest rate of the term loan ranges from 2.08% to 4.56% (30 June 2022 - 1.88% to 2.08%) per annum.

8 Revenue

	Nine months ended 31 March	
	2023	2022
The Group	RMB'000	RMB'000
Processed food and food products – point in time	29,261	45,610
Revenue from rental income from investment properties – over time	7,547	6,763
	36,808	52,373

Disaggregation of revenue from contracts with customers

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

	At point in time RMB'000	Over time RMB'000	Total RMB'000
9 months ended 31 March 2023			
- Japan	28,719	-	28,719
- PRC	542	7,357	7,899
- Singapore	-	190	190
	29,261	7,547	36,808
9 months ended 31 March 2022			
- Japan	43,296	-	43,296
- PRC	2,314	6,586	8,900
- Singapore	-	177	177
	45,610	6,763	52,373

9 (Loss)/profit before taxation

	Note	Nine months ended 31 March	
		2023	2022
The Group		RMB'000	RMB'000
(Loss)/profit before taxation has been arrived at after charging:			
Depreciation of property, plant and equipment	4	2,564	2,327
Amortisation of intangible assets		15	18
Property, plant and equipment written off	4	10	1
Cost of inventories charged to cost of sales		27,337	40,636
Employee benefit costs		9,906	12,682
Fair value loss on investment properties	6	1,614	-
Interest expense		92	100
and crediting:			
Exchange (gain)/loss, net		(96)	142
Government subsidies		(42)	(172)
Interest income		(35)	(345)

10 Taxation

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

	Nine months ended 31 March	
	2023	2022
	RMB'000	RMB'000
The Group		
Current taxation		
- Current financial period	164	74
Deferred taxation		
- Origination and reversal of temporary difference	(392)	1,260
Tax (income)/expense	(228)	1,334

11 Net asset value

	The Company		The Group	
	31 March	30 June	31 March	30 June
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Net asset value per ordinary share	159.1	159.5	160.9	160.7

12 Earnings per share

	Nine months ended 31 March	
	2023	2022
	RMB'000	RMB'000
The Group		
Net (loss)/profit attributable to equity holders of the Company	(1,874)	136
	'000	'000
Weighted average number of ordinary shares outstanding for the purpose of diluted earnings per share	176,798	176,798
	RMB	RMB
The Group		
Basic earnings per share (cents)	(1.1)	0.1
Diluted earnings per share (cents)	(1.1)	0.1

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

13 Statement of operations by segments

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

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

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

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

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies in the annual financial statements for the year ended 30 June 2022. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense.

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

Allocation basis and transfer pricing

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

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

Business segments

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

Processed food products

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

Investment properties

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

Corporate

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

13 Statement of operations by segments (Cont'd)

(a) Business segments

The following tables present revenue, profit or loss and certain assets, liabilities and expenditure information for the Group for the nine months ended 31 March 2023:

	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
<u>1 July 2022 to 31 March 2023</u>				
Revenue				
- Sale of goods	-	29,261	-	29,261
- Rental income from investment properties	7,547	-	-	7,547
Segment results	2,584	(1,101)	(3,528)	(2,045)
Interest income	-	35	-	35
Finance costs	(92)	-	-	(92)
Profit/(loss) before taxation	2,492	(1,066)	(3,528)	(2,102)
Taxation	403	(175)	-	228
Profit/(loss) after taxation	2,895	(1,241)	(3,528)	(1,874)
Other segment items				
Capital expenditure				
- Property, plant and equipment	-	55	-	55
- Investment properties	6,570	-	-	6,570
Property, plant and equipment written off	-	(10)	-	(10)
Depreciation and amortisation	-	(2,564)	-	(2,564)
Segment assets	242,737	83,984	636	327,357
Segment liabilities	6,593	8,147	1,868	16,608

The following tables present revenue, profit or loss and certain assets, liabilities and expenditure information for the Group for the nine months ended 31 March 2022:

	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
<u>1 July 2021 to 31 March 2022</u>				
Revenue				
- Sale of goods	-	45,610	-	45,610
- Rental income from investment properties	6,763	-	-	6,763
Segment results	3,688	(86)	(2,377)	1,225
Interest income	-	345	-	345
Finance costs	(64)	(36)	-	(100)
Profit/(loss) before taxation	3,624	223	(2,377)	1,470
Taxation	(1,334)	-	-	(1,334)
Profit/(loss) after taxation	2,290	223	(2,377)	136
Other segment items				
Capital expenditure				
- Property, plant and equipment	-	821	-	821
Property, plant and equipment written off	-	(1)	-	(1)
Depreciation and amortisation	-	(2,345)	-	(2,345)
Segment assets	228,943	103,494	401	332,838
Segment liabilities	4,047	15,763	1,298	21,108

13 Statement of operations by segments (Cont'd)

(b) Geographical segments

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

	Nine months ended 31 March	
	2023	2022
	RMB'000	RMB'000
The Group		
Revenue - sale of goods		
- Japan	28,719	43,296
- The People's Republic of China ("PRC")	542	2,314
	29,261	45,610
Revenue - rental income from investment properties		
- PRC	7,357	6,586
- Singapore	190	177
	7,547	6,763

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

	31 March	30 June
	2023	2022
	RMB'000	RMB'000
The Group		
Reportable segments' assets are reconciled to total assets:		
Segment assets	327,357	331,763
VAT receivable	4,883	5,246
Prepayment	783	61
	333,023	337,070
Reportable segments' liabilities are reconciled to total liabilities:		
Segment liabilities	16,608	21,286
Deferred tax liabilities	31,709	31,317
Government tax payable	154	429
	48,471	53,032

(d) Information about major customers

The revenue from one customer of the Group's processed food products segment amounted to approximately RMB 22,961,000 (2022 - RMB 10,215,000) and accounted for 78% (2022 - 77%) of the Group's revenue for the nine months ended 31 March 2023.

14 Dividend

No interim dividends were paid by the Company in respect of the nine months ended 31 March 2023 and 2022.

15 Commitment

There is no capital expenditure contracted for as at the end of the reporting period but not recognised in the condensed consolidated interim financial statements.

16 Related party transactions

Key management personnel compensation

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

Key management personnel compensation comprise:

	Nine months ended 31 March	
	2023	2022
	RMB'000	RMB'000
The Group		
Directors' fee	695	777
Short-term benefits	1,259	1,135
	1,954	1,912

In relation to the related party information disclosed elsewhere in the condensed consolidated interim financial statements, the following are significant transaction with related party at mutually agreed amounts:

	Nine months ended 31 March	
	2023	2022
	RMB'000	RMB'000
The Company		
Repayment of advances from a subsidiary	3,825	4,056

17 Fair value measurements

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

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

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

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

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
The Company				
31 March 2023				
<u>Non-financial assets</u>				
Investment properties	-	-	7,685	7,685
30 June 2022				
<u>Non-financial assets</u>				
Investment properties	-	-	7,685	7,685
The Group				
31 March 2023				
<u>Non-financial assets</u>				
Investment properties:				
- Leasehold buildings	-	-	228,892	228,892
- Land use rights	-	-	11,300	11,300
Property, plant and equipment:				
- Leasehold buildings and structural improvements	-	-	40,043	40,043
- Land use rights	-	-	13,490	13,490
30 June 2022				
<u>Non-financial assets</u>				
Investment properties:				
- Leasehold buildings	-	-	224,136	224,136
- Land use rights	-	-	11,100	11,100
Property, plant and equipment:				
- Leasehold buildings and structural improvements	-	-	39,279	39,279
- Land use rights	-	-	13,200	13,200

There were no transfers into or out of fair value hierarchy levels for financial periods ended 31 March 2023 and 30 June 2022.