



CHINA MINING INTERNATIONAL LIMITED

Unaudited Condensed Financial Statements
for the financial year ended 31 December 2022

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

	Note	FY2022 RMB'000	FY2021 RMB'000 (Restated) ⁽¹⁾
Revenue	4	60,379	8,207
Cost of sales		(48,945)	(8,985)
Gross profit/(loss)		11,434	(778)
Selling and distribution expenses		(2,902)	(48)
General and administrative expenses		(16,228)	(13,466)
Impairment loss of on financial assets		(1,008)	(570)
Written-back of impairment of financial assets, net		57	5,004
Other income		3,307	39,543
Other expenses		(645)	(1,757)
Finance income		18	257
Finance expense		(2,119)	(75)
(Loss)/Profit before tax	6	(8,086)	28,110
Income tax credit/(expense)	7	507	(869)
(Loss)/Profit for the year		(7,579)	27,241
Other comprehensive (loss)/income, net of tax			
Items that will not be reclassified subsequently to profit or loss: Equity investment at FVOCI ⁽²⁾ - net change in fair value		1,167	(5,309)
Total comprehensive (loss)/income for the year		(6,412)	21,932
(Loss)/Profit attributable to:			
Equity holders of the Company		(8,455)	27,241
Non-controlling interests		876	-
		(7,579)	27,241
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(7,288)	21,932
Non-controlling interests		876	-
		(6,412)	21,932
(Loss)/Profit per share for the period attributable to the owners of the Company:			
Basic and diluted (RMB in cent)	20	(2.19)	14.95

Notes:

- (1) Certain items have been restated following finalization of the Purchase Price Allocation (“PPA”) (details of which are disclosed in Note 21).
- (2) FVOCI refers to “fair value through other comprehensive income”.

B. Condensed statements of financial position

	Note	The Group		The Company	
		31 Dec 2022	31 Dec 2021 (Restated) ⁽¹⁾	31 Dec 2022	31 Dec 2021 (Restated) ⁽¹⁾
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	10	29,161	33,684	1	3
Bearer plants	11	124,341	115,474	-	-
Right of use assets	12	56,021	56,321	-	-
Land use rights	13	38	40	-	-
Intangibles	14	647	765	-	-
Investments in subsidiaries		-	-	153,912	165,311
Financial assets, at FVOCI	9.1	56,767	55,600	56,767	55,600
		<u>266,975</u>	<u>261,884</u>	<u>210,680</u>	<u>220,914</u>
Current assets					
Financial assets, at FVPL ⁽²⁾ – structured deposits	9.2	-	15,770	-	-
Inventories		4,119	2,218	-	-
Trade receivables		5,163	3,794	-	-
Other receivables, deposits and prepayments	15	13,886	8,720	209	103
Amount due from related parties		11,662	11,736	41	17
Pledged bank deposits		119	225	-	-
Cash and cash equivalents		15,095	7,566	728	1,252
		<u>50,044</u>	<u>50,029</u>	<u>978</u>	<u>1,372</u>
Total assets		<u>317,019</u>	<u>311,913</u>	<u>211,658</u>	<u>222,286</u>
Current liabilities					
Trade payables		6,945	5,576	-	-
Accruals and other payables	16	12,958	12,196	1,012	1,403
Borrowings	17	28,856	24,498	-	-
Lease liabilities	17	7,463	3,782	-	-
Amounts due to subsidiaries (non-trade)		-	-	117,006	127,280
Amounts due to related parties (non-trade)		-	34	-	-
Income tax payables		2,453	2,961	-	-
		<u>58,675</u>	<u>49,047</u>	<u>118,018</u>	<u>128,683</u>
Net current (liabilities)/assets		<u>(8,631)</u>	<u>982</u>	<u>(117,040)</u>	<u>(127,311)</u>
Non-current liabilities					
Lease liabilities	17	53,844	53,442	-	-
Borrowings	17	720	1,576	-	-
Amount due to related parties (non-trade)		11,110	22,991	-	-
		<u>65,674</u>	<u>78,009</u>	<u>-</u>	<u>-</u>
Net assets		<u>192,670</u>	<u>184,857</u>	<u>93,640</u>	<u>93,603</u>
Issued capital	18	15,806	13,142	15,806	13,142
Share premium	18	271,358	259,797	271,358	259,797
Treasury shares	19	(18)	(18)	(18)	(18)
Distributable reserve		267,600	267,600	267,600	267,600
Capital reserve		49,031	49,031	-	-
Fair value deficit		(13,664)	(14,831)	(13,664)	(14,831)
Accumulated losses		(442,557)	(434,102)	(447,442)	(432,087)
		<u>147,556</u>	<u>140,619</u>	<u>93,640</u>	<u>93,603</u>
Non-controlling interests		45,114	44,238	-	-
Total equity		<u>192,670</u>	<u>184,857</u>	<u>93,640</u>	<u>93,603</u>

Note:

(1) Certain items have been restated following finalisation of the PPA (details of which are disclosed in Note 21).

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

C. Condensed statements of changes in equity

The Group	Attributable to equity holders of the Company									Non-controlling interests	Total equity
	Issued capital	Share premium	Treasury shares	Distributable reserve	Capital reserve	Fair value deficit	Accumulated losses	Total			
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Balance as at 1 Jan 2022 (Restated)		13,142	259,797	(18)	267,600	49,031	(14,831)	(434,102)	140,619	44,238	184,857
Loss for the year		-	-	-	-	-	-	(8,455)	(8,455)	876	(7,579)
Other comprehensive loss, net of tax: Equity investment at FVOCI ⁽²⁾ – net change in fair value		-	-	-	-	-	1,167	-	1,167	-	1,167
Issuance of new ordinary shares	18	2,664	11,561	-	-	-	-	-	14,225	-	14,225
Balance as at 31 Dec 2022		15,806	271,358	(18)	267,600	49,031	(13,664)	(442,557)	147,556	45,114	192,670

The Group	Attributable to equity holders of the Company									Non-controlling interests	Total equity
	Issued capital	Share premium	Treasury shares	Distributable reserve	Capital reserve	Fair value deficit	Accumulated losses	Total			
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Balance as at 1 Jan 2021		7,083	228,745	(18)	267,600	49,031	(9,522)	(461,343)	81,576	-	81,576
Profit for the year ⁽¹⁾		-	-	-	-	-	-	27,241	27,241	-	27,241
Other comprehensive loss, net of tax: Equity investment at FVOCI – net change in fair value		-	-	-	-	-	(5,309)	-	(5,309)	-	(5,309)
Shares issued for acquisition of subsidiaries ⁽¹⁾	18	6,059	31,052	-	-	-	-	-	37,111	-	37,111
Acquisition of subsidiaries	18	-	-	-	-	-	-	-	-	44,238	44,238
Balance as at 31 Dec 2021 (Restated)		13,142	259,797	(18)	267,600	49,031	(14,831)	(434,102)	140,619	44,238	184,857

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

The Company	Attributable to equity holders of the Company							
	Issued capital	Share premium	Treasury shares	Distributable reserve	Fair value deficit	Accumulated losses	Total equity	
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance as at 1 Jan 2021		7,083	228,745	(18)	267,600	(9,522)	(427,451)	66,437
Loss for the year		-	-	-	-	-	(4,636)	(4,636)
Other comprehensive loss, net of tax: Equity investment at FVOCI – net change in fair value		-	-	-	-	(5,309)	-	(5,309)
Shares issued for acquisition of subsidiaries	18	6,059	31,052	-	-	-	-	37,111
Balance as at 31 Dec 2021		13,142	259,797	(18)	267,600	(14,831)	(432,087)	93,603

Notes:

- (1) Certain items have been restated following finalisation of the PPA (details of which are disclosed in Note 21).
- (2) FVOCI refers to "fair value through other comprehensive income".

D. Condensed consolidated statement of cash flows

	Note	The Group	
		FY2022 RMB'000	FY2021 (Restated) ⁽¹⁾ RMB'000
OPERATING ACTIVITIES			
(Loss)/Profit before tax:		(8,086)	28,110
Adjustments for:			
Depreciation of property, plant and equipment	6	4,939	210
Amortisation of land use rights	6	2	3
Depreciation of right of use assets	6	1,739	-
Amortisation of intangibles	6	118	-
Depreciation of bearer plants	6	1,541	-
Bearer plants written off		107	-
Bargain purchase on acquisition of subsidiaries	21	-	(39,484)
Loss on disposal of property, plant and equipment		15	-
Impairment loss of on financial asset	6	1,008	570
Reversal of allowance for impairment of amounts due from other receivables	6	(57)	(5,004)
Interest on lease liabilities	6	1,378	-
Interest income	6	(18)	(257)
Interest expense	6	1,906	75
Fair value loss on financial assets, at FVPL - quoted securities	6	-	1,640
Gain on lease modification		(61)	-
Write off trade and other payables		(283)	-
Fair value gain on financial asset, at FVPL	9.2	(151)	(34)
(Gain)/Loss on exchange difference		(105)	40
Operating profit/(loss) before working capital changes		3,992	(14,131)
Completed properties for sale		-	8,985
Inventories		(1,901)	-
Trade receivables		(2,306)	-
Other receivables, deposits and prepayments		(3,530)	6,595
Pledged bank deposits		106	525
Trade payables		1,577	(1)
Contract liabilities		-	(57)
Accruals and other payables		837	(7,658)
Advances/(Repayment to) from related parties		60	(35)
Financial assets, at FVPL - quoted securities		-	41,369
Cash (used in)/generated from operations		(1,165)	35,592
Income tax paid		-	-
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		(1,165)	35,592
INVESTING ACTIVITIES			
Interest received		18	257
Addition of financial assets, at FVPL - structured deposits	9.2	(66,540)	(29,920)
Redemption of financial assets, at FVPL - structured deposits	9.2	82,461	35,184
Purchase of property, plant and equipment	10	(479)	(6)
Net cash inflow on acquisition of subsidiaries	21	-	3,284
Capital expenditure on bearer plants		(5,765)	-
Proceeds from disposal of property, plant and equipment		48	-
NET CASH GENERATED FROM INVESTING ACTIVITIES		9,743	8,799

	Note	The Group	
		FY2022 RMB'000	FY2021 (Restated) ⁽¹⁾ RMB'000
FINANCING ACTIVITIES			
(Repayment to)/Advance from a related party		(22,200)	6,020
Advances from related parties		10,285	-
Repayment of borrowings		(14,655)	(7,600)
Repayment of interest		(3,284)	(75)
Repayment of lease liabilities		(1,888)	(481)
Repayment of share-margin financing facility		-	(36,568)
Deposit paid to corporate guarantors		(1,625)	-
Bank loan drawdown		18,000	-
Issue of new ordinary shares, net	18	14,225	-
NET CASH USED IN FINANCING ACTIVITIES		(1,142)	(38,704)
Net increase in cash and cash equivalents		7,436	5,687
Cash and cash equivalents at beginning of the year		7,566	1,919
Exchange difference on cash and cash equivalents		93	(40)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		15,095	7,566

Note:

(1) Certain items have been restated following the finalisation of the PPA (details of which are disclosed in Note 21).

E. Notes to the condensed consolidated financial statements

1. Corporate information

China Mining International Limited (the “**Company**”), an investment holding company, is a limited liability company incorporated in the Cayman Islands and listed on the Main Board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The address of the Company’s registered office is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company is China Henan Province, Zheng Zhou City, Jin Shui District, Intersection of Zhong Wang Road and Zheng Guang North Street, Zhong Chuang Building 5 Floor, Henan 450000.

These condensed consolidated financial statements for financial year ended 31 December 2022 (“**FY2022**”) as contained herewith comprise those of the Company and its subsidiaries (collectively, the “**Group**”) (the “**FY2022 Financial Statements**”).

As announced by the Company on 31 March 2021, with regard to the Company’s long pursuit of its planned acquisition of 63.11% of the registered capital of Henan Zhongnong Huasheng Agricultural Science and Technology Co., Ltd (河南中农华盛农业科技有限公司) (“**Zhongnong**”) with a view to diversify into business of agriculture (the “**Business Diversification**”), the Company had on even date entered into a Sale and Purchase Agreement (the “**SPA**”) with China Focus International Limited (中置国际有限公司) (“**China Focus**”) and Profit Run Developments Limited (润辉发展有限公司) (“**Profit Run**”) (collectively, the “**Vendors**”) to acquire from these entities their respective shareholdings in the entire issued and paid-up share capital of Fully Rich International Investment Limited (广富国际投资有限公司) (“**Fully Rich**”) (the “**Acquisition**”), which in turns owns 63.11% of the registered capital of Zhongnong. The aggregate purchase consideration is satisfied by issuance and allotment of 162,000,000 ordinary shares of the Company of par value of S\$0.008 each (the “**Shares**”) (“**Consideration Shares**”) (the “**Issuance of Consideration Shares**”). The Vendors are controlled by Mr Guo Yinghui (“**Mr Guo**”), a controlling shareholder of the Company.

The Acquisition, the Business Diversification and the Issuance of Consideration Shares were approved by the independent shareholders of the Company at an extraordinary general meeting held on 17 December 2021. On the same date (the “**Acquisition Date**”), the Acquisition was completed with the Consideration Shares issued and allotted to the Vendors and control of Fully Rich transferred to the Group in making Fully Rich a wholly-owned subsidiary of the Company.

Subsequent to the Acquisition Date, the principal business activities of the Group comprise:

- (1) Property management and sale of commercial and residential properties
- (2) Investment in mines for capital gain or future dividend income
- (3) Investment in financial assets
- (4) Cultivation and sale of agriculture produce and products
- (5) Others

In addition, as announced by the Company on 21 March 2022 and detailed in Note 18 below, the Company incorporated a subsidiary with the primary purpose of carrying on the business of retailing and supply chain management in China, principally via the internet, concerning products and produce (processed or otherwise) sourced from the Group or elsewhere with a view to become one of the leading Henan-based internet supply chains in the foreseeable future.

2. Basis of preparation

Save as disclosed in the accounting policies below, the FY2022 Financial Statements are prepared in accordance with historical cost convention issued by the International Accounting Standards Committee.

The FY2022 Financial Statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group’s financial position and performance since the last interim financial statements for the six-month period ended 30 June 2022 (“**1H2022**”).

Except for the adoption of new and amended standards as set out in Notes 2.1, the accounting policies adopted under the FY2022 Financial Statements are consistent with those of the previous financial year which were prepared in accordance with the International Financial Reporting Standards (“**IFRS**”),

The FY2022 Financial Statements are presented in Chinese Renminbi (“RMB”) which is the Company’s functional currency, and all values, unless otherwise stated, are rounded to the nearest thousand (RMB’000).

2.1. New and amended standards adopted by the Group

During FY2022, the Group adopted the new or amended IFRS and Interpretations of IFRS (“IFRIC”) that are mandatory for application from 1 January 2022, and relevant changes to the Group’s accounting policies were made in accordance with the transitional provisions in the respective IFRS and IFRIC. The adoption of these new or amended IFRS and IFRIC did not result in substantial changes to the Group’s and the Company’s accounting policies; neither had they resulted in any material effect on the amounts reported by the Company for the current or prior financial years.

2.2. Use of judgements and estimates

The preparation of the FY2022 Financial Statements, in conformity with IFRS, requires the management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities as at 31 December 2022 and the reported amounts of revenues and expenses for FY2022. Actual results may differ from these estimates.

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

The significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at the end of and for the financial year ended 31 December 2021 (“FY2021”).

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

(a) Accounting for business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Significant judgement is involved in the identification and measurement of the acquired assets and liabilities. The management used external valuation expert to perform the Purchase Price Allocation (“PPA”), being the allocation of the fair value of the consideration for the Acquisition, determined by the market price of the Consideration Shares as at the Acquisition Date, into fair value of the various assets acquired and liabilities assumed from the acquisition. For acquisitions during FY2021, the fair values of the assets and liabilities have been determined on a provisional basis (as the results of the independent valuations have not been finalized), subject to the provisional measurement period not exceeding one year from the Acquisition Date (the “PPA Provisional Measurement”). The PPA and hence the acquisition accounting were finalised during FY2022 with retrospective adjustments to FY2021 which is in accordance with the provisions under IFRS 3 - Business Combination. The details of the adjustments to the net assets acquired in business combinations are disclosed in Note 21.

(b) Valuation of financial assets, at FVOCI

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

(c) Impairment of non-financial assets

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

(d) Impairment of trade and other receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that the trade and other receivables are impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the value of any collateral pledged by the third parties, probability of insolvency or significant financial difficulties of the third parties and default or significant delays in payments.

3. Seasonal operations

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

4. Segment and revenue information

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

For the purpose of segmenting reporting, the operating segments of the Group are classified into 'Commercial and residential property', 'Mining', and, subsequent to the Acquisition, 'Agriculture' and 'All others' business segments with effect from FY2021 and FY2022 respectively. The Agriculture segment comprises business activities from the cultivation and sale of agriculture produce, and trading of agriculture produce and products via wholesale market as well as retailing through internet platforms. The 'All others' segment includes head office function and treasury /investment activities.

	Agriculture business RMB'000	Mining RMB '000	Commercial and residential property RMB '000	All others RMB '000	Total RMB '000
FY2022					
Segment revenue from external customers	60,379	-	-	-	60,379
Segment loss, representing loss before tax	2,377	-	(2,030)	(8,433)	(8,086)
Tax credit					507
Loss for the year					(7,579)
Segment assets	234,246	56,767	487	25,519	317,019
Consolidated segment assets					317,019
Segment liabilities	(99,883)	-	(8,871)	(15,595)	(124,349)
Consolidated segment liabilities					(124,349)

	Agriculture business RMB'000	Mining RMB '000	Commercial and residential property RMB '000	All others RMB '000	Total RMB '000
FY2021					
Segment revenue from external customers	-	-	8,207	-	8,207
Segment income/(loss), representing income/(loss) before tax	-	-	3,215	(14,589)	(11,374)
Gain on bargain purchase					39,484
Tax expense					(869)
Profit for the year					27,241
Segment assets	231,217	55,600	871	24,225	311,913
Consolidated segment assets					311,913
Segment liabilities	(101,308)	-	(9,582)	(16,166)	(127,056)
Consolidated segment liabilities					(127,056)

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:

	Note	The Group		The Company	
		31 Dec 2022 RMB'000	31 Dec 2021 RMB'000	31 Dec 2022 RMB'000	31 Dec 2021 RMB'000
Financial assets					
Financial assets, at FVOCI	9.1	56,767	55,600	56,767	55,600
Financial assets, at FVPL	9.2	-	15,770	-	-
Financial assets at amortized cost		35,874	24,714	883	1,269
		<u>92,641</u>	<u>96,084</u>	<u>57,650</u>	<u>56,869</u>
Financial liabilities					
Financial liabilities at amortized cost		<u>118,593</u>	121,680	<u>118,018</u>	128,683
		<u>118,593</u>	<u>121,680</u>	<u>118,018</u>	<u>128,683</u>

6. (Loss)/Profit before tax

6.1. Significant items

		FY2022	FY2021
	Note	RMB'000	(Restated) ⁽¹⁾ RMB'000
Income			
Interest income		18	257
Bargain purchase on acquisition of subsidiaries	21	-	39,484
Reversal of allowance for impairment of amount from other receivables		57	5,004
Expenses			
Interest expense		1,906	75
Interest on lease liabilities		1,378	-
Amortisation of land use rights		2	3
Amortisation of intangible assets		118	-
Depreciation of bearer plants		1,541	-
Depreciation of property, plant and equipment		4,939	210
Depreciation of right of use assets		1,739	-
Loss on disposal of property, plant and equipment		15	-
Foreign exchange (gain)/loss, net		(129)	33
Fair value loss on financial assets, at FVPL - quoted securities		-	1,640
Impairment loss on financial assets		1,008	570

Note:

(1) Certain items have been restated following finalisation of the PPA (details of which are disclosed in Note 21).

6.2. Related party transactions

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

7. Taxation

Taxation of the Group comprised corporate income tax and land appreciation tax in China. The major components of income tax expense in the FY2022 and FY2021 Financial Statements are:

	FY2022 RMB'000	FY2021 RMB'000
Current tax (credit)/expense	(507)	(176)
Deferred income tax expense relating to origination and reversal of temporary differences	-	1,045
	<u>(507)</u>	<u>869</u>

8. Net Asset Value

	The Group		The Company	
	31 Dec 2022 RMB'000	31 Dec 2021 RMB'000 (Restated) ⁽²⁾	31 Dec 2022 RMB'000	31 Dec 2021 RMB'000
Net asset value as at end of financial year	<u>192,670</u>	<u>184,857</u>	<u>93,640</u>	<u>93,603</u>
Net asset value per ordinary share as at the end of financial period/year				
(RMB cents) ⁽¹⁾	47.22 cents	54.69 cents	22.95 cents	27.69 cents
(\$ cents) ⁽¹⁾	9.17 cents	11.61 cents	4.46 cents	5.88 cents

Note:

- (1) Calculated based on the exchange rates of S\$1:RMB5.15 as at 31 December 2022 and S\$1:RMB4.71 as at 31 December 2021. The total number of issued ordinary shares of the Company (“Shares”) (excluding the 11,500 treasury Shares) are 407,988,500 and 337,988,500 as at 31 December 2022 and 31 December 2021 respectively.
- (2) Certain items have been restated following finalization of the PPA (details of which are disclosed in Note 21)

9. Financial assets at fair value

9.1 Financial assets at FVOCI

	The Group and the Company	
	31 Dec 2022 RMB'000	31 Dec 2021 RMB'000
At the beginning of the year	55,600	60,909
Changes in fair value recognised in other comprehensive income	1,167	(5,309)
At end of year	<u>56,767</u>	<u>55,600</u>
<i>Representing:</i>		
<u>Unquoted equity investments</u>		
Investment in Sino Feng Mining S.à.r.l. (“Sino Feng”)	<u>56,767</u>	<u>55,600</u>

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

The Group has engaged AP Appraisal Limited, an independent Hong Kong based valuer, to evaluate the fair value of the Thabazimbi Mine as at 31 December 2022. Based on income-based approach, the valuation estimated the future cash flows for the period of the estimated operating lifespan of the mine according to the resource estimation and a suitable discount rate in order to calculate the present value.

Pursuant to the shareholders' agreement entered between the Group and Sino-Africa Mining International Limited ("Sino-Africa"), the controlling shareholder of the Thabazimbi Mine, on 30 April 2017, no new funding contribution will be required of the Group for the purpose of making or realising an investment or funding any other requirement of the Thabazimbi Mine. Neither is the Group able to exercise control, joint control or significant influence over its investment in the Thabazimbi Mine. As at the date of this announcement, the Thabazimbi Mine has completed its exploration phase and awaits the issuance of mining licence by the relevant authorities for the commencement of the mining phase. The initial mining right period of the Thabazimbi Project is expected to be 20 years upon the issuance of the said mining licence, the procurement of which is subject to the settlement of the rehabilitation deposit, amounting to South African2 Rand 10,091,000 (equivalent to RMB5.03 million), as well as the provision of mining program and surveyed plan to the relevant authorities by Sino-Africa. Due to and consequence to the Covid-19 pandemic situation in South Africa, the said rehabilitation deposit has had yet been placed by Sino-Africa and the activities at the Thabazimbi Mine were temporarily halted.

9.2 Financial assets at FVPL – structured deposits

	The Group	
	31 Dec 2022	31 Dec 2021
	RMB'000	RMB'000
At the beginning of the year	15,770	21,000
Addition	66,540	29,920
Redemption	(82,461)	(35,184)
Changes in fair value recognised in profit and loss	151	34
At end of year	-	15,770
<i>Representing:</i>		
- Non-principal protected financial products	-	15,770

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

9.3. Fair value measurement

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

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

As at 31 Dec 2021	The Group		
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Financial assets, at FVOCI			
- Unquoted equity investment	-	-	55,600
Financial assets, at FVPL			
- Structured deposits	-	15,770	-
	-	15,770	55,600

10. Property, plant and equipment

The Group acquired property, plant and equipment of RMB479,000 in FY2022 (FY2021: RMB6,000) and disposed property, plant and equipment of RMB63,000 in FY2022 (FY2021: Nil).

Some items of equipment with a carrying value of RMB1,955,000 as at 31 December 2022 (FY2021: RMB3,118,000) have been pledged to a finance company as security for a working capital loan of RMB1,576,000 (FY2021: RMB2,327,000) (the “**Mortgaged Loan**”).

11. Bearer plants

Borrowing costs, capitalized as the cost of immature plantations for FY2022, amounted to RMB212,800 (FY2021: RMB274,000). The interest capitalized is the actual interest incurred on the borrowings to finance the cultivation of the pomegranate plantations.

12. Right-of-use assets

The right-of-use assets comprise mainly leased machinery and equipment, land and lease contracts for various assets of leasehold land and building used in the agriculture operations in the PRC. These leases are non cancellable and their renewal is subject to the lessors’ approval. The Group’s bearer plants are planted and managed in areas which have obtained such rights to cultivate. There were no new right-of-use assets or disposals in FY2022.

13. Land use rights

The Group did not acquire or dispose any land use rights in FY2022 and FY2021.

14. Intangibles

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

15. Other receivables, deposits and prepayments

	The Group	
	31 Dec 2022 RMB'000	31 Dec 2021 RMB'000
Advances to staff	103	102
Other receivables	3,654	1,707
Prepayments	6,322 ⁽¹⁾	2,142
Prepaid rental	83	223
Rental deposits	78	154
Prepaid business and related tax	2,573	3,229
Prepaid construction costs	1,073	1,163
	13,886	8,720

Note:

(1) Prepayments comprised prepaid business insurance, prepaid electricity and upfront payments made to suppliers for agricultural products.

16. Accruals and other payables

	The Group	
	31 Dec 2022 RMB'000	31 Dec 2021 RMB'000
Other payables		
- Construction cost payables ⁽¹⁾	1,926	2,085
- Others	7,801	6,339
Accrued expenses		
- Accrued business and related taxes	2,303	2,494
- Other accrued expenses	928	1,278
	12,958	12,196

Note:

(1) Being retention sum (pending finalization) yet to be settled in respect of the completed processing factory of Zhongnong and its subsidiaries (the "Zhongnong Group").

17. Borrowings and lease liabilities

	Interest rate p.a.	The Group	
		31 Dec 2022 RMB'000	31 Dec 2021 RMB'000
<u>Amount repayable in one year or less or on demand</u>			
Secured bank loans	3.95% to 7.63%	18,856 ⁽¹⁾	13,751 ⁽¹⁾
Unsecured			
- Government agency	7%	10,000	10,000
- Bank loans	3.95% to 7.63%	-	747
		28,856	24,498
Unsecured			
- Lease liabilities	6.16% to 7.18%	7,463	3,782
		36,319	28,280
<u>Amount repayable after one year</u>			
Secured bank loans	3.95% to 7.63%	720 ⁽¹⁾	1,576 ⁽¹⁾
Unsecured			
- Lease liabilities	6.16% to 7.18%	53,844	53,442
		54,564	55,018

Note:

(1) Being the Mortgage Loan.

18. Issued capital and share premium

Movements of the issued and paid-up capital and share premium of the Group and the Company (inclusive of the 11,500 treasury shares) in FY2022 and FY2021 are as follows:

	31 Dec 2022			31 Dec 2021			
	Note	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Number of ordinary Shares	Share capital RMB'000	Share premium RMB'000
Issued and paid-up Shares at beginning of the year		338,000,000	13,142	259,797	176,000,000	7,083	228,745
Issued during the year		70,000,000	2,664	11,561	162,000,000	6,059	31,052
Issued and paid-up Shares at end of the year		408,000,000	15,806	271,358	338,000,000	13,142	259,797

The number of Shares (excluding treasury shares) as at 31 December 2022 and 31 December 2021 were 407,988,500 and 337,988,500 respectively. All issued Shares are fully paid.

On 17 December 2021, in satisfaction of the consideration for the acquisition of Fully Rich, the Company issued and allotted 162,000,000 new ordinary Shares of S\$0.008 each to the Vendors (being the Issuance of Consideration Shares) with a market value at S\$0.049 each, thereby resulting in a share premium of RMB31,052,000. The newly issued Shares rank *pari passu* in all respects with previously issued Shares.

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

On 7 June 2022, in connection with the announcements made by the Company on 8 January 2022 and 23 February 2022, the Company issued and allotted a total of 35,000,000 new Shares at S\$0.042 each to iFactors SPC – Asymmetric Opportunities SP (“iFactors SP”), Mr. Zhai Kebin (翟克彬)(“ZKB”) (the Chief Executive Officer of the Company), and Sino-Africa pursuant to a specific share issue mandate for the Company to issue new Shares granted by the Shareholders at the Company’s extraordinary general meeting held on 31 May 2021 (the “Tranche B Placement”).

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

Use of Tranche A Net Placement Proceeds	Percentage allocated %	Allocated amount S\$	Utilized amount S\$	Unutilized amount S\$
A. For the investment and working capital needs of the Group arising from new business opportunities and new products in connection with the growth, development and expansion of the existing businesses of the Group⁽¹⁾:				
• Disbursements relating to the Group’s investments (including but not limited to HYNFSC ⁽²⁾)	42.10	602,000	-	602,000
• Expenses relating to R&D and production of new products	5.24	74,858	-	74,858
• Expenses relating to marketing of new products, including but not limited to promotional expenses to be incurred as and when new products are rolled out	5.23	74,857	74,857	-
<i>Sub-Total</i>	52.57	751,715	74,857	676,858
B. For the working capital needs of the Group in connection with the existing products of the Group (including expenses relating to professional services and administration):				
• Expenses relating to production	14.88	212,727	212,727	-
• Operating expenses (including administrative expenses and professional fees)	28.83	412,337	412,337	-
• Staff costs (including salaries and employers’ welfare contributions)	3.72	53,221	53,221	-
<i>Sub-Total</i>	47.43	678,285	678,285	-
Grand Total	100.00	1,430,000	753,142	676,858

Use of Tranche B Net Placement Proceeds	Percentage allocated %	Allocated amount S\$	Utilized amount S\$	Unutilized amount S\$
A. For the investment and working capital needs of the Group arising from new business opportunities and new products in connection with the growth, development and expansion of the existing businesses of the Group⁽¹⁾:				
• Expenses relating to R&D and production of new products	5.23	75,642	-	75,642
• Expenses relating to marketing of new products, including but not limited to promotional expenses to be incurred as and when new products are rolled out	5.24	75,643	75,643	-
<i>Sub-total</i>	10.47	151,285	75,643	75,642
B. For the working capital needs of the Group in connection with the existing products of the Group (including expenses relating to professional services and administration):				
• Expenses relating to production	56.97	823,273	823,273	-
• Operating expenses (including administrative expenses and professional fees)	28.84	416,663	416,663	-
• Staff costs (including salaries and employers' welfare contributions)	3.72	53,779	53,779	-
<i>Sub-total</i>	89.53	1,293,715	1,293,715	-
Grand total	100.00	1,445,000	1,369,358	75,642

Notes:

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

Employee share option scheme

No share options were issued during FY2022 and FY2021. Neither was there any ordinary share issued as a result of the exercise of any outstanding share option during FY2022 and FY2021.

Outstanding convertibles, options or dilutive instruments

There were no outstanding convertibles, options or any dilutive instruments that may be converted into new Shares as at 31 December 2022 and 31 December 2021.

19. Treasury Shares

	The Group and the Company			
	As at 31 Dec 2022		As at 31 Dec 2021	
	Number of Ordinary Shares	RMB'000	Number of Ordinary Shares	RMB'000
At beginning and end of the year	<u>11,500</u>	<u>18</u>	<u>11,500</u>	<u>18</u>

There was no sale, transfer, disposal, cancellation or use of treasury Shares during FY2022 and FY2021.

20. Loss per share

	The Group	
	FY2022	FY2021
	RMB'000	RMB'000 (Restated) ⁽²⁾
(Loss)/Profit after tax attributable to the Shareholders	<u>(8,455)</u>	<u>27,241</u>
(Loss)/Profit per share (Basic and Diluted)		
- RMB cents ⁽¹⁾	(2.19)	14.95
- S\$ cents ⁽¹⁾	(0.45)	3.11

Notes:

- Calculated based on the average exchange rates S\$1:RMB4.89 for FY2022 and S\$1:RMB4.80 for FY2021 and the 386,317,267 weighted average issued Shares (excluding the 11,500 treasury Shares) for FY2022 and 182,202,199 weighted average issued Shares (excluding the 11,500 treasury Shares) for FY2021.
- Certain items have been restated following finalisation of the PPA (details of which are disclosed in Note 21)

21. Acquisition of subsidiaries

As disclosed in Note 1, the Company completed the acquisition of 100% of the issued and paid-up share capital of Fully Rich through the issuance of 162,000,000 Consideration Shares to the Vendors or their nominees in the relevant proportions. The Purchase Consideration for the Acquisition was S\$7.938 million (or approximately RMB 37.11 million), measured at the market price of S\$0.049 per Consideration Share on the Acquisition Date.

Fully Rich owns 63.11% of the registered capital of Zhongnong, which in turns owns 4 wholly-owned subsidiaries (collectively constituting the Zhongnong Group), all of which are in agriculture business.

The Acquisition was completed and control has been obtained on 17 December 2021, the Acquisition Date. Upon the Acquisition date, Fully Rich became a wholly-owned subsidiary of the Company.

The acquisition accounting, which was accounted for provisionally in FY2021, has been completed during FY2022 taking into account the PPA by independent valuer, and the fair value of assets acquired and liabilities assumed, are adjusted as follows:

	Provisional amount previously reported in FY2021 financial statements	Fair value adjustment made during measurement period	Restated amount in FY2021 financial statements
	RMB'000	RMB'000	RMB'000
Carrying amounts of acquired identifiable assets acquired and liabilities assumed			
Property, plant and equipment	33,104	-	33,104
Biological assets	142,492	(27,018)	115,474
Intangible assets	-	765	765
Right-of-use assets	56,321	-	56,321
Inventories	2,218	-	2,218
Trade receivables	3,794	-	3,794
Prepayment and other receivables	7,944	-	7,944
Amount due from related parties	11,736	-	11,736
Cash and cash equivalents	3,284	-	3,284
Total identifiable assets	260,893	(26,253)	234,640
Borrowings	(33,674)	-	(33,674)
Lease liabilities	(57,224)	-	(57,224)
Trade payables	(3,074)	-	(3,074)
Amounts due to related parties	(16,971)	-	(16,971)
Accruals and other payables	(2,864)	-	(2,864)
Total identifiable liabilities	(113,807)	-	(113,807)
Total identifiable net assets acquired	147,086	(26,253)	120,833
Less: Non-controlling interests at Acquisition Date	(53,922)	9,684	(44,238)
Net identifiable net assets acquired	93,164	(16,569)	76,595
Purchase Consideration	37,111	-	37,111
Less: Fair value of identifiable net assets acquired	(93,164)	16,569	(76,595)
Bargain purchase on acquisition	(56,053)	16,569	(39,484)

	Fully Rich and its subsidiaries RMB'000
Effect on cash flows of the Group	
Total Adjusted Purchase Consideration	37,111
Less: issuance of Consideration Shares (non-cash)	(37,111)
Consideration settled in cash	-
Add: Cash and cash equivalents of acquired	3,284
Net cash inflow on acquisition	3,284

The Bargain Purchase arose due to the Purchase Consideration being at a discount accorded by the Vendors, as compared to the net asset value of Fully Rich and its subsidiaries.

22. Subsequent events

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

Other Information Required by Appendix 7.2 of the Listing Rules

F. Other information

1. Review

The FY2022 Financial Statements (including the relevant explanatory notes) have not been audited or reviewed by the Company's auditors, Crowe Horwath First Trust LLP ("Crowe Singapore"). Crowe Singapore issued an unqualified audit opinion for the audited financial statements of the Group for FY2021.

2. Review of the financial performance of the Group for FY2022 (relative to that of FY2021)

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

Revenue and Gross Profit

	FY2022	FY2021
	RMB'000	RMB'000
Revenue reported for the first half of the year	21,390	3
Revenue reported for the second half of the year	38,989	8,204
Total	60,379	8,207
Operating loss after tax before deducting non-controlling interests for first half year	(7,285)	(5,525)
Operating (loss)/profit after tax before deducting non-controlling interests for second half year	(294)	32,766
Total	(7,579)	27,241

The turnover of the Group in FY2021 was solely derived from its 'Property' business segment brought about as a result of the sale of the last balanced units of its Xinxiang Sunny Town Project (新乡阳光新城项目).

The turnover of the Group in FY2022 was solely derived from its new Agriculture business pursuant to the Acquisition.

As there is only one commercial harvesting season in the PRC for the pomegranate fruits, which takes place from September to October during the second half of the year, the Group attained higher revenue and better performance in 2H2022 (relative to 1H2022). Notwithstanding which, the Group would have registered a significantly higher turnover in FY2022 had it not for the prevalent Covid-19 pandemic situation encountered in China throughout FY2022 and the flood aftermath (attributed to the Henan torrential deluge experienced in July 2021 as mentioned in paragraph 2.6.1 on page 26 of the Company's Circular dated 2 December 2021) which adversely affected the growth and harvest of the agriculture produce of the Group in FY2022.

Selling and distribution expenses

The increase in selling and distribution expenses was mainly attributed to the need for more marketing, warehousing and e-commerce expenses for the Group's Agriculture business.

General and administrative expenses

The increase in general and administration expenses in as due principally to the higher number of employees being employed and increased office expenses subsequent to the Acquisition.

Written-back of impairment of financial assets, net

The write-backs of certain impaired financial assets in FY2021 were made following the recovery of part of the bad debts previously provided for. Save for the RMB57,000 that was recovered during FY2022, none of such one-off transaction was recorded in FY2022.

Other income

Higher other income in FY2021 were attributed mainly to the one-off non-recurring gain as a result of the Bargain Purchase of RMB39.5 million.

Other expenses

Higher other expenses incurred in FY2021 was mainly due to a net disposal loss of RMB1.6 million on investments in quoted securities. None of such one-off transaction was recorded in FY2022.

Finance expense

The increase in finance expenses was attributed mainly to the loans and finance lease liabilities of the Agriculture business.

Total comprehensive loss attributable to shareholders of the Group

Consequence to the above, the net loss attributable to the Shareholders was RMB7.6 million in FY2022 as compared to a profit of RMB27.2 million in FY2021.

(b) Review of the condensed statements of financial position of the Group as at 31 December 2022 (relative to that as at 31 December 2021)

Non-current assets

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

The increase in bearer plants was mainly attributed to the capitalisation of expenditure on bearer plants.

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

Current assets

The decrease in financial assets (at FVPL – structured deposits) was due to the redemption of short-term investment deposits placed with the local banks in China in FY2022.

The increase in inventories was due primarily to the stock-up of agricultural products towards the end of FY2022 in preparation for sales targeting the Lunar New Year in January 2023.

The increase in other receivables, deposits and prepayments was due mainly to additional prepaid business insurance, prepaid electricity and upfront payments made to suppliers for agricultural products.

Taken as a whole, the current assets of the Group remained at RMB50.0 million as at 31 December 2021 and 31 December 2022.

Current liabilities

The increase in current borrowings was mainly due to additional loans obtained.

Taken as a whole, the current liabilities of the Group increased by RMB9.7 million from RMB49.0 million as at 31 December 2021 to RMB58.7 million as at 31 December 2022.

Non-current liabilities

The decrease in amounts due to related parties (non-trade) was mainly due to the repayment made.

Consequence to the above:

- (1) the working capital position of the Group decreased from a positive RMB1.0 million as at 31 December 2021 to a negative RMB8.6 million* as at 31 December 2022; and
- (2) the net asset value of the Group increased from RMB184.9 million as at 31 December 2021 to RMB192.7 million as at 31 December 2022, with the net asset value per ordinary share of the Company decreased from 11.61 Singapore cents per share as at 31 December 2021 to 9.17 Singapore cents per share as at 31 December 2022.

*Notwithstanding the net current liability position of the Group as at 31 December 2022, the Group is confident of its performance for the financial year ending 31 December 2023 (“FY2023”) to achieve a turnaround in its working capital position. Besides, it had arranged on standby sufficient banking facilities to bridge the short-term financing needs and procured commitment from certain related parties of the Group to provide financial supports (without charging interest) to the Group in meeting any potential funding requirements.

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

Net cash generated from operating activities

The Group reversed from a net cash generated from operating activities of RMB35.6 million in FY2021 to a net cash used in operating activities of RMB1.17 million in FY2022. The reversal was mainly attributed to the absence receipts from the divestment of financial assets (at FVPL – quoted securities).

Net cash generated from investing activities

The Group's net cash generated from investing activities increased from RMB8.8 million in FY2021 to RMB9.74 million in FY2022 was mainly attributed to the capital expenditure on bearer plants, partially offset by the higher redemption of financial assets, at FVPL - structured deposits during FY2022.

Net cash used in financing activities

The Group's net cash used in financing activities decreased from RMB38.7 million in FY2021 to RMB1.14 million in FY2022 was attributed to the absence of repayment of the share-margin financing facility, coupled with the additional proceeds raised from the Tranche A Placement and Tranche B Placement and addition loan drawdown during FY2022.

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

It was mentioned in Item 3 of the Company's unaudited results announcement for FY2021 that "barring any unforeseen circumstances and any further escalation of the Covid-19 pandemic situation in China and without taking into account of the one-off non-recurring gain in FY2021 due to the Bargain Purchase, the Board is confident that the Group's performance for FY2022 will significantly outperform that of FY2021". Had the one-off non-recurring gain due to the Bargain Purchase of RMB39.5 million been excluded from the unaudited (restated) results for FY2021, the bottom line of the Group for FY2021 would have reversed from a net profit of RMB27.2 million to a net loss of RMB12.3 million, which exceeds the Group's net loss of RMB7.6 million sustained in FY2022 by about 38.2%, and this is in line with the aforesaid prospect statement.

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

China's economy has gradually recovered since the outbreak of the COVID-19 pandemic. The government had implemented policies to support businesses and stimulate economic growth. These measures have helped businesses to reopen and resume operations. Local businesses in China had to adapt to the new normal brought about by the pandemic. Companies have also embraced digital technology, such as online ordering and delivery services, to reach customers who prefer to stay at home. With the rise of remote work and online shopping, demand for technology-related products and services has also increased. Companies have also expanded their e-commerce capabilities to meet the growing demand for online shopping.

The management believes that the demand for pomegranate products is expected to increase in China, driven by the growing awareness of the health benefits of the fruit. Pomegranates are a rich source of antioxidants, which help to reduce the risk of chronic diseases such as cancer and heart disease. The increasing health-consciousness of Chinese consumers is likely to drive the demand for pomegranate products, including pomegranate juice, concentrate, and extracts.

During FY2022, the Group had incorporated two entities, Henan Younong Future Supply Chain Management Co., Ltd. (河南优农未来供应链管理有限公司) and Henan Xinyounong Supply Chain Management Co., Ltd. (河南鑫优农供应链管理有限公司) specially to cater to the growing demands for the online platforms of agriculture products.

The Group will continue to adopt the following business strategies for expansion and growth during FY2023 and beyond:

- (1) Through the adoption of an 'asset-light' business model to not take on any big-ticket capital expenditure or investment item;
- (2) Through the diversification in the sale of products and produce (not restricted to pomegranate fruits alone), be it processed or otherwise, to be sourced from within the Group and/or through third parties;
- (3) Through appropriate cost containment measures to curtail expenses without compromising efficiency; and

- (4) Through active reach out for new business growth points, such as the establishment of supply chain management platforms or partnership with renown domestic e-commerce platform companies, to spur growth.

Based on the aforesaid, barring any unforeseen circumstances, the Board is confident that the Group's performance for FY2023 will significantly outperform that of FY2022.

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

5. Dividend information

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

No dividend had been declared or recommended for FY2022 in view of the need by the Group to conserve cash in growing its agriculture business.

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

Not applicable.

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

No dividend was declared in previous corresponding year.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

6. Interested person transactions

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

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

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

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

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

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

Signed for and on behalf of the Board of Directors

BY ORDER OF THE BOARD

Mr Zhai Kebin
Executive Chairman & CEO
31 March 2023

Ms Dong Lingling
Executive Director