中矿国际有限公司
CHINA MINING INTERNATIONAL LIMITED

ANNUAL REPORT 2023

Contents

Chairman's Message

Dear Shareholders,

On behalf of the Board of Directors, I am delighted to present the Annual Report for China Mining International Limited (the "**Company**") and its subsidiaries (the "**Group**") for the financial year ended 31 December 2023 ("**FY2023**").

FINANCIAL REVIEW

FY2023 was a challenging year for the Group. The Group had recorded a net loss of RMB84.5 million for FY2023 as compared to net loss of RMB7.6 million for FY2022. While the significant losses are mainly due to the one-off non-recurring bearer plant written off of RMB63 million during FY2023, revenue from the sale of pomegranate produce have also decreased significantly as compared to FY2022 due to lower harvest in FY2023.

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

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

OPERATIONS REVIEW

During FY2023, the Group had discontinued the mass-volume, low-margin products sold through the internet platform, as this trading business had not so attractive low yielding margin.

As part of the Group's streamlining of operations and costs, the Group had also made applications to the Registrar of Companies to strike off the following subsidiaries:

1) Henan Xinyounong Supply Chain Management Co., Ltd. (河南鑫优农供应链管理有限公司);

2) Henan Liangai Supply Chain Management Co., Ltd. (河南良皑供应链管理有限公司); and

3) Henan Jiangui Supply Chain Management Co., Ltd. (河南坚贵供应链管理有限公司);

4) China Mining Singapore Pte. Ltd.

The Group will continue its appropriate cost containment measures to curtail business expenses without compromising efficiency;

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

MOVING FORWARD

China's post-Covid economic recovery did not take off as expected. Further, aggravated by the protracted trade tensions between China and USA and the Ukraine-Russia war. China also faces multiple challenges, including sluggish consumer spending, a crisis in the property market, weakening exports, record youth unemployment and high local government debts. Chinese consumers had prioritized essential needs over discretionary spending, leading to a shift in consumption patterns towards necessities and away from luxury or non-essential items. Chinese consumers sees pomegranates as a premium fruit as compared to staple fruits like apples and oranges, negatively impacting consumer demands in FY2023.

Notwithstanding the negative business sentiments, the Group seeks to continue to strengthen its resilience through the following strategies in FY2024 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

ACKNOWLEDGEMENTS

I would like to extend my sincerest appreciation to our dedicated management and staff for their unwavering commitment, hard work, and valuable contributions. My heartfelt thanks go to our partners, suppliers, and customers for their steadfast support over the years. I am equally grateful to my fellow Directors for their invaluable guidance and contributions, aiding the Group in overcoming numerous challenges in recent years.

Finally, I would like to express my deep gratitude to our unwavering shareholders who steadfastly supported us in the preceding years. I look forward to your continued support in making our shared dream come true in FY2024 and beyond.

ZHAI KEBIN

Chief Executive Officer and
Executive Chairman

Board of Directors

1 ZHAI KEBIN
Chief Executive Officer and Executive Chairman

Mr Zhai Kebin ("**Mr Zhai**") was an Executive Director of the Group from 2001 to 2008. He held various senior leadership positions with several companies in China, including Surbana Land International (China) Pte.Ltd and Hanergy Holding Group Ltd, before re-joining the Group.

Over the years, Mr Zhai had accumulated extensive experience in property, project management and investments. Mr Zhai holds a Bachelor of Economics from University of International Business and Economics and EMBA from Zhengzhou University.

2 GUO WENJUN
Deputy Chairman and Executive Director

Mr Guo Wenjun ("**Mr Guo**") was appointed the Deputy Chairman and Executive Director of our Group on 29 April 2022 and is responsible for managing and overseeing the overall business strategy and development of the Group. Mr Guo is also the investment director of Beijing Central Reserve Investment Ltd, oversees the management and research of investments. Mr Guo graduated from New York University with major in architecture and urban design.

His last re-election with the Company was on 29 April 2022.

3 CHAN SIEW WEI
Independent and Non-Executive Director

Mr Chan Siew Wei ("**Mr Chan**") was appointed the Independent and Non-Executive Director of our Group on 15 May 2012. Mr Chan graduated from the National University of Singapore with a Bachelor of Accountancy in 1984. From 1989 to 2010, he acted as an auditing partner of Chan Hock Seng & Co., a Certified Public Accounting Firm (CPA) in Singapore. He is currently the finance director of Toplink Pacific Pte Ltd, a technology company, and a Director of INPACT Asia Pacific, an independent accounting firm networks in the Asia Pacific region.

Mr Chan is actively involved in non-profit organisations. On 1 September 2008, Mr Chan was appointed as the Board Director and Treasurer of World Future Foundation Ltd. A foundation sought to tackle issues threatening the future development of humanity.

He is also a member of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

4 DONG XINCHENG

Independent and Non-Executive Director

Mr Dong Xincheng ("**Mr Dong**") was appointed the Independent and Non-Executive Director of our Group on 1 September 2023. Mr Dong graduated with a Bachelor Degree in Electronics, Major in Electronics and Information System from Zhengzhou University and he had obtained the Legal Professional Qualification Certificate in September 2002.

Mr Dong is a Practicing Lawyer in Henan Zhengfangyuan Law Firm since 2005 and an Independent Director of Weiye Holdings Limited (Listed on Hong Kong Stock Exchange).

5 LI SHI

Non-Independent and Non-Executive Director

Ms Li Shi ("**Ms Li**") was appointed the Non-Independent and Non-Executive Director of our Group on 20 July 2023. Ms Li is presently the Customer Care and Demand Management Manager of Givaudan Singapore Pte Ltd, a subsidiary of the Swiss multinational manufacturer of flavours, fragrances and active cosmetic ingredients.

Key Management

GUO YINGHUI

Mr Guo Yinghui ("**Mr Guo**") had step down as Chairman of the Board and Executive Director effective from 29 April 2022 and was appointed as Corporate Planning Vice President. He is responsible for the formulation of the overall business strategies and policies.

Mr Guo has developed his expertise in business operations and development based on his knowledge and experience gained in the property development industry in the PRC for the past 10 years. Prior to establishing the Company's subsidiary, Xinxiang Huilong Real Estate Co., Ltd in 1999, Mr Guo was managing Jiaozuo Huilong Real Estate Co., Ltd for 3 years from 1996 and he was a civil servant in the PRC government for 15 years from 1981. Mr Guo is also currently the Director of Henan Huilong Committee of Registered Accountants of the PRC Finance Department in Group Co., Ltd.

Mr Guo obtained his Masters of Business Administration from Macau University of Science and Technology in 2003, a Certificate in Business Administration from Beijing University in 2002 and a Certificate in Economics Studies from Henan Science Committee in 1999.

ZHANG JUNXIAO

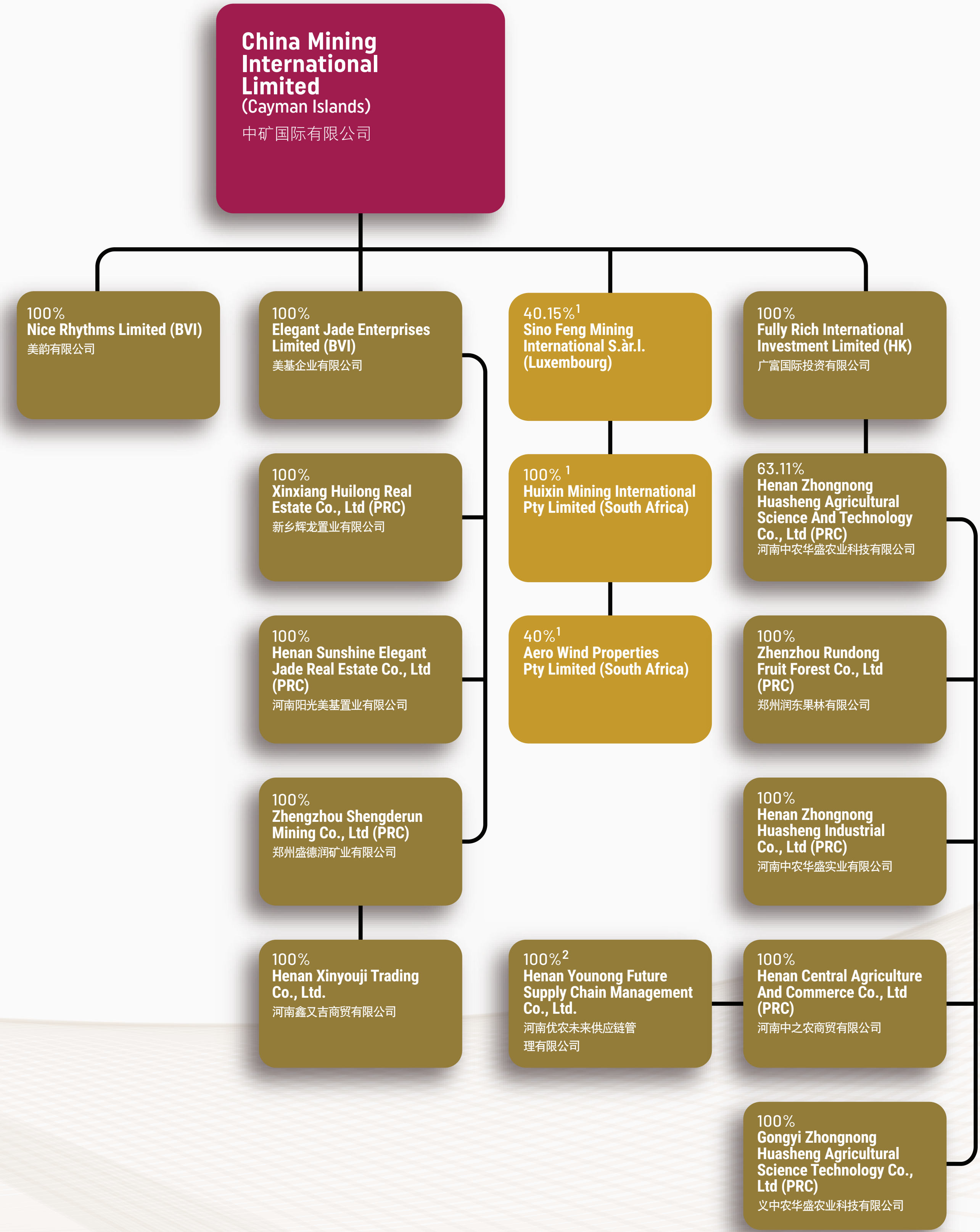
Mr Zhang Junxiao ("**Mr Zhang**") joined the Group as an assistant general manager and was promoted to general manager of Henan Zhongnong Huasheng Agricultural Science and Technology Co., Ltd in April 2022. Mr Zhang is responsible for the operations and sales development of the agriculture business. Before joining the Group, Mr Zhang worked in several real estate companies as project supervisor, marketing manager and held senior marketing positions of various corporations.

Mr Zhang graduated from Henan Institute of Technology, majoring in marketing and strategic planning.

HO KOK WENG

Mr Ho Kok Weng ("**Mr Ho**") joined China Mining International Limited as the Chief Financial Officer in 2019 and is responsible for the finance functions of the Group. Prior to joining the Group, he worked for several multinational and listed companies in a wide range of industries including offshore, electronics, automotive and manufacturing.

Mr Ho is a fellow member of Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Singapore Chartered Accountants.



Note:

(1) The Company holds on effective equity interest of 16.06% in Aero Wind Properties Pty Limited. The investment in Sino Feng Mining International S.àr.l. and its subsidaries is classified as "Financial assets at fair value through other comprehensive income" in the Statements of Financial Position (Note 12).

(2) As the joint venture partner 河南嘉友汇网络科技有限公司 had yet to contribute its rightful portion of 30% share capital in 河南优农未来供应链管理有限公司 as at the date of this report, the shareholdings are listed as 100%. Based on the Company's constitution of 河南优农未来供应链管理有限公司, the deadline for the respective paid up share capital is 31 December 2040.

Corporate Information

Board Of Directors
Zhai Kebin, Chief Executive Officer and Executive Chairman
Guo Wenjun, Deputy Chairman and Executive Director
Chan Siew Wei, Independent Director
Dong Xincheng, Independent Director
Li Shi, Non-Independent and Non-Executive Director

Company Secretary
Shirley Tan Sey Liy
(MSc Mgmt (Hons) (UCD), FCS, FCG)

Registered Office
89 Nexus Way
Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

Principal Place Of Business
China Office:
China Henan Province, Zheng Zhou City, Jin Shui District, Intersection of Zhong Wang Road and Zheng Guang North Street, Zhong Chuang Building 5 Floor
Postal Code 450000
Email: chinamining@chnmining.cn

Audit Committee
Chan Siew Wei, Chairman
Dong Xincheng
Li Shi

Nominating Committee
Dong Xincheng, Chairman
Chan Siew Wei
Guo Wenjun

Remuneration Committee
Chan Siew Wei, Chairman
Dong Xincheng
Li Shi

Key Executives
Guo Yinghui
Zhang Junxiao
Ho Kok Weng

Share Transfer Agent's Office
B.A.C.S Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

Cayman Islands Share Registrar
89 Nexus Way
Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

Auditor Of The Company
Crowe Horwath First Trust LLP
9 Raffles Place
#19-20
Republic Plaza Tower 2
Singapore 048619

Partner-in-Charge: Lee Yan Huei
Appointed since financial year 2023

Principal Bankers
China Construction Bank Corporation, Zhengzhou Branch

Financial Contents

China Mining International Limited (the "**Company**") is committed to ensuring and maintaining a high standard of corporate governance. This report outlines the Company's corporate governance practices with reference to the Code of Corporate Governance 2018 (the "**Code**"). The Company has complied in all material aspects with the principles and guidelines of the Code as well as the requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**"). Where there are deviations from the Code, explanations have been provided. The Company will continue to improve its systems and corporate governance processes in its compliance with the Code.

BOARD MATTERS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with the Management for the long-term success of the Company

Provision 1.1
Board's Role

The directors of the Company (the "**Directors**") are fiduciaries who must act objectively in the best interests of the Company and hold the management of the Company (the "**Management**") accountable for performance. The board of Directors of the Company (the "**Board**"), setting an appropriate tone from the top in inculcating the desired organizational culture, has put in place a code of conduct and ethics with a view to ensure proper accountability within the Company and its subsidiaries (the "**Group**"). Any Director facing conflicts of interest is to recuse himself or herself from discussions and decisions involving the issues of conflict.

The primary role of the Board is to protect and enhance the long-term value of the shareholders of the Company (the "**Shareholders**"). To fulfill this role, the Board is responsible for the overall corporate governance of the Company, taking into consideration of sustainability issues, including setting its strategic direction, establishing goals for the Management, monitoring the achievement of these goals to enhance Shareholders' value and establishing a framework of prudence and effective controls which enables risks to be assessed and managed in safeguarding the Shareholders' interests and the Group's assets.

The Board recognizes that, to ensure the sustainability of the business of the Group, the Company has to identify the key stakeholder groups whose perceptions affect the Group's reputation and strike a balance between its business needs and the needs of the society and the environment in which it operates.

Provision 1.2
Directors' Duties and Responsibilities

All Directors exercise due diligence and independent judgement and make decisions objectively in the best interests of the Company.

The Directors must understand the Group's business as well as their directorship duties (in respect of their respective roles as an Executive Director, a Non-Executive Director and/or an Independent Director). The Company has in place a process of induction, training and development for new and existing Directors.

Orientation, briefings, updates and training for Directors

The Company has in place an orientation process for the Directors. A new incoming Director is issued a formal letter of appointment, setting out his or her duties and obligations, and where appropriate, incorporating processes to deal with possible conflicts of interest that may arise.

Incoming Directors joining the Board will undergo an orientation program which includes introduction by the Management on the Group's businesses and strategic plans and objectives and site visits. New Director will be briefed by the Nominating Committee (the "**NC**") on his or her director's duties and obligations and be introduced to the Group's business and governance practice, in particular the Company's policies relating to the disclosure of interests in securities; the disclosure of conflicts of interest in transactions involving the Company; the restrictions on dealings in the Company's securities; and the disclosure of price-sensitive and trade-sensitive information.

The incoming Director will meet up with the senior Management and the secretary of the Company (the "**Company Secretary**") to familiarize himself or herself with their roles, organization structure and business practices. This will enable him or her to get acquainted with the senior Management and the Company Secretaries, thereby facilitating Board interaction and independent access to the senior Management and the Company Secretary.

The Directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and industry-related matters, so as to update and refresh them on matters that may affect or enhance their performance as Directors.

Briefings and updates provided for the Directors in FY2023 include:

(a) Relevant developments in accounting and governance standards by the external auditors of the Company (the "**External Auditors**").

(b) Relevant rules and regulations, including listing rules of the Listing Manual (the **"Listing Rules"**) and the guidelines of the Code, by the Company Secretary.

(c) Business and strategic developments of the Group by the Chief Executive Officer of the Company (the "**CEO**").

(d) Key issues and risk management considerations pertaining to the businesses of the Group by the Management. Where necessary, the Management provided the Directors further explanations, briefings or information on any aspect of the Group's operations or business which needed clarification.

All Directors attended the sustainability training as prescribed by the SGX-ST. Ms Li Shi will attend the relevant training on the roles and responsibilities of a director of a listed company conducted by Singapore Institute of Directors ("**SID**") on July 2024.

Provision 1.3
Internal Guidelines on Matters Requiring Board Approval

Matters specifically reserved for the Board for approval include:

(a) Business plans and strategy;

(b) Annual budgets (including capital and operating expenditure) and financial plans;

(c) Financial results and related statements;

(d) Material acquisitions and/or divestments;

(e) Investment proposals;

(f) Fund raising proposals; and

(g) Share issuances, share buyback, dividends and/or other returns to the Shareholders.

Provision 1.4
Delegation of Authority to Board Committees

The Board has formed three Board committees (the "**Board Committees**"), namely the NC, the Audit Committee ("**AC**") and the Remuneration Committee ("**RC**"), to assist it in carrying out and discharging its duties and responsibilities efficiently and effectively.

These Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The operating procedures require a Board Committee member to disclose his or her interest and recuse himself or herself from discussions and decisions involving a conflict of interest.

Below the Board level, there is an appropriate delegation of authority and approval for sub-limits at the Management level to facilitate operational efficiency.

Please refer to Principles 4 to 10 herein for further information on the composition and activities of the NC, RC and AC.

Provision 1.5
Meetings of Board and Board Committees

The Board meets regularly and as warranted by particular circumstances or as deemed appropriate by the Board members. The Company Secretary is present at such meetings to record the proceedings. The Company's Constitution allows the Board meetings to be conducted by way of telephonic or video conference meetings.

The table below sets out the number of Board and Board Committees meetings which were convened in FY2023 :

	Board	**AC**	**RC**
Number of meetings held	3	3	1
Name of Directors	**Number of meetings attended / No of meetings during tenure of Director on the Board Committee**		
Mr Zhai Kebin	3/3	N.A.	N.A
Mr Guo Wenjun	3/3	N.A.	N.A.
Ms Dong Lingling[1]	3/3	1/1	N.A.
Mr Lim Han Boon	3/3	3/3	1/1
Mr Chan Siew Wei	3/3	3/3	1/1
Mr Dong Xincheng[2]	1/1	1/1	N.A
Ms Li Shi[6]	2/2	N.A	N.A

[1] Ms Dong Lingling was appointed as a member of AC from 20 April 2023 to 31 August 2023. There is only 1 AC meeting in FY2023 during her tenure as AC member.

[2] Mr Dong Xincheng was appointed as a Director and a member of AC, NC and RC effective from 1 September 2023. There are only 1 AC meeting, 1 Board meeting and no RC or NC meetings in FY2023 during his tenure as member of the Board, AC, NC and RC.

[3] Ms Li Shi was appointed as a Director effective from 20 July 2023. She was appointed as the AC and RC member effective from 15 November 2023. There are only 2 Board meetings and no AC or RC meetings in FY2023 during her tenure as member of the Board, AC and RC.

No NC meeting was held in FY2023. Two members of the then NC retired on 29 April 2022 and quorum of a NC meeting could not be met with one remaining member. The NC was reconstituted on 20 April 2023 with three members. Resolutions by the NC relating to the FY2022 annual report issued on 8 May 2023 were passed by written circular means in lieu of an NC meeting.

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodic review, provision of guidance and advice on various matters relating to the Group.

Provisions 1.6 and 1.7
Board's Access to Management, Company Secretary and External Advisers

All Directors are from time to time furnished with information concerning the Company and the Group to enable them to be fully informed of all material events and transactions of the Group, including major decisions and actions of the Management. Board papers are sent to Directors prior to each Board and Board Committee meeting. The Management is available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board meetings, or through assistance provided by external consultants engaged on specific projects. The Board has unrestricted access to the Management and the Group's records and information.

The Directors have separate and independent access to the Company Secretary. The Company Secretary is present at Board meetings to assist in ensuring that Board procedures as well as applicable rules and regulations are followed. The minutes of all Board Committees' meetings are circulated to the Board on a timely basis for review and approval.

The Board is fully involved in and responsible for the appointment and removal of the Company Secretary.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill his or her duties and responsibilities as a Director.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1
Independence of Directors

As at the date of this 2023 Annual Report, the Board of Directors comprising 5 members of which 2 are Executive Directors, 1 Non-Executive and Non-Independent Director and 2 Independent Directors.

	Board and Board Committee appointments					
	Executive Director	Non-Executive Director	Independent Director	AC	NC	RC
Mr Zhai Kebin (Chairman & CEO)	*					
Mr Guo Wenjun (Deputy Chairman)	*				Member	
Ms Li Shi		*		Member		Member
Mr Dong Xincheng			*	Member	Chairman	Member
Mr Chan Siew Wei			*	Chairman	Member	Chairman

The criteria for independence are based on the definition given in the Code and the Listing Manual. The Code has defined an "Independent Director" as one who is independent in conduct, character and judgement and who has no relationship with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment for the best interests of the Company. Under the Listing Rules, an Independent Director is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.

The independence of each Independent Director is also reviewed annually by the NC. Each Independent Director has provided a declaration of his independence which is reviewed by the NC. The NC noted that the Independent Directors have no association with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment and considered them independent.

Mr Dong Xincheng and Mr Chan Siew Wei each have abstained from the NC's and Board's deliberations of their respective independence.

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual, Mr Chan Siew Wei who has served the Board for more than nine years will not be considered independent following the conclusion of the forthcoming AGM. To facilitate Board renewal, he has indicated his intention to retire after the conclusion of the forthcoming AGM. The Board will be seeking a new Independent Director to replace Mr Chan.

Details of the qualifications and experience of the Independent Directors are presented in the section entitled "Board of Directors" of this 2023 Annual Report.

Provisions 2.2 and 2.3
Composition of Independent Directors and Non-Executive Directors on the Board

The present composition of the Board complies with the Rule 210(5)(c) of the Listing Manual which requires the Independent Directors to make up one-third of the Board. It also complies with Provision 2.3 of the Code which requires the Non-Executive Directors to make up a majority of the Board.

Under Provision 2.2 of the Code, the Independent Directors should make up a majority of the Board where the Chairman is not an Independent Director. The Board comprises two Independent and Non-Executive Directors out of five Directors. While the composition of the Board does not comply with Provisions 2.2, the NC and the Board are of the view that there is still sufficient independence element within the Board as the Board is small and the two Independent Directors made up two-fifth which is more than one-third of the Board. The Independent Directors have demonstrated throughout their tenure on the Board that they act with objectivity and candour and will not hesitate to check on the authority and power within the Board. In addition, the NC, AC and RC, which assist the Board in its functions, are each chaired by an Independent Director. The NC and Board considers that there is adequate level of independence for the time being which is not inconsistent with Principle 2.

Provision 2.4
Board Composition and Diversity

The Company has in place a Board Diversity Policy, which endorses the principle that its Board should have a balance of skill, knowledge, experience and diversity of perspectives to ensure effective decision making and governance of the Company and its businesses.

The Board comprises five members. Taking into account the scope and nature of the operations of the Group and the requirements of the business, the NC views that the current size of the Board is adequate.

The Board has set a target for skill diversity for members of the Boad to have varied experience at least in accounting, finance and business management to provide the Board with an adequate balance of core competencies. The current directors have collectively, accounting, finance, business management and legal experience to satisfy the skill diversity target set by the Board.

The NC recognizes the merits of gender diversity in relation to the composition of the Board. The Board has set a target for gender diversity to have at least one female Director in the Board's composition. The Board presently has one female Director and has met its target.

Detailed description of the Directors' background and experience are disclosed under the "Board of Directors" section of the 2023 Annual Report.

Provision 2.5
Role of Non-Executive Directors

During FY2023, the Non-Executive Directors (which include the Independent Directors) constructively challenge and help develop both the Group's short-term and long-term business strategies. The Management's progress and performance in implementing such agreed business strategies are monitored by the Non-Executive Directors. Non-Executive Director and Independent Directors are encouraged to arrange for meetings amongst themselves at least once a year without the presence of the Management, discuss and evaluate the performance of the Management as well as the Executive Chairman. The feedback and views expressed by the Independent Directors will be communicated to the Board and/or the Executive Chairman, as appropriate. The Independent Directors had met at least once in FY2023, without the presence of the Management so as to facilitate a more effective check on the Management.

In general, the Board is able to exercise objective judgment independently from the Management and no individual or small group of individuals dominates the decision-making of the Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making

Provision 3.1
Separate Roles of the Chairman and CEO

Mr Zhai Kebin is the Executive Chairman and CEO of the Company. While Mr Zhai is both the Chairman and CEO, both roles are separate and distinct. The Chairman leads the Board and is responsible for the leadership of the Board, setting its agenda and ensuring the exercises of control over the quality, quantity and timeliness of information flow between the Board and the Management.

The CEO sets the business strategies and directions for the Group and manages the business operations of the Group. He is supported by the other Executive Directors and other Management staff.

The Board recognises the Code's recommendation that the Chairman and the CEO should be separate persons to ensure an appropriate balance of power and authority, increased accountability, and greater capacity of the Board for independent decision making. Mr Zhai's roles as Chairman and CEO are distinct and separate. Mr Zhai consults with the Board on major issues. Decisions by the Board are based on collective decisions of the Directors. A Director is required to abstain from voting on any Board matter related to him or her or where there is a conflict or potential conflict of interest. The two Independent Directors, comprising two-fifth of the Board, have demonstrated and will continue to demonstrate the exercise of their independence to ensure that all Board deliberations and decisions are made in the interest of the Company and the Group. The Board believes that the intent of Principle 3 of the Code has been met.

Provision 3.2
Roles and Responsibilities of the Chairman

The overall role of the Chairman is to lead and ensure the effectiveness of the Board. Specifically, the role includes:

(a) Promoting a culture of openness and debate at the Board;

(b) Facilitating the effective contribution of all Directors;

(c) Promoting high standards of corporate governance; and

(d) Ensuring effective communication with the Shareholders and other stakeholders.

Provision 3.3
Lead Independent Director

The Independent Directors and the Executive Directors individually and collectively are available to the Shareholders as a channel of communication between the Shareholders and the Board or the Management. As there are no Shareholders' concerns thus far for which contact through the normal channels of the Executive Chairman, the Executive Directors or the Management has failed to resolve or is inappropriate, no Lead Independent Director has been appointed.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board

Provisions 4.1 and 4.2
Nominating Committee

The NC comprises three Directors, of whom two, including the Chairman of the NC, are independent.

Mr Dong Xincheng	Chairman	Independent Director
Mr Chan Siew Wei	Member	Independent Director
Mr Guo Wenjun	Member	Executive Director

The primary functions of the NC are to determine the criteria for identifying candidates and reviewing nominations for the appointment of Directors to the Board in ensuring that the process of Board appointments and re-nominations are transparent; to assess the effectiveness of the Board as a whole; and to affirm annually the independence of the Directors.

The NC functions under the terms of reference which sets out its responsibilities as follows:

(a) To review succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key Management personnel;

(b) To recommend to the Board on all board appointments, re-appointments and re-election of Directors;

(c) To assess the independence of the Independent Directors;

(d) To develop a process for the evaluation of the performance of the Board, its Committees and Directors, and undertake assessment of the effectiveness of the Board, the Board Committees and the individual Directors; and

(e) To review training and professional development programs for the Board and its Directors.

Provision 4.3
Process for the Selection and Appointment of New Directors

The Company has in place the policy and procedures for the appointment of new Directors to the Board, ensuring that the process of Board appointments and re-nominations are transparent.

Where there is a resignation or retirement of an existing Director, the NC will re-evaluate the Board composition to assess the competencies for the need of any replacement. The NC will deliberate and propose the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include, among other things, whether the new potential director can add to or complement the mix of skills and qualifications of the existing Board; the relevance of his or her experience and contributions to the business of the Group; and the depth and breadth he or she could bring to the Board for discussions. Candidates are sourced through a network of contacts and identified based on established criteria. Search can be made through relevant institutions such as the SID , professional organizations, business federations or external search consultants. New Directors will be appointed by way of a Board resolution, after the NC makes the necessary recommendation to the Board.

Article 86 of the constitution of the Company requires the Directors to retire and are eligible for re-election at regular intervals of at least once every three years. Mr Zhai Kebin will be retiring pursuant to Article 86 of the Company's Constitution and eligible for re-election as Director at the forthcoming AGM of the Company. Mr Zhai Kebin has expressed his intention not to seek the re-election as a Director at the forthcoming AGM of the Company. He will be retiring at the forthcoming AGM. Following his retirement, he will relinquish as Executive Chairman and CEO of the Company. The Board has expressed its appreciation and gratitude to Mr Zhai Kebin for his contribution and tenure with the Company.

Ms Li Shi and Mr Dong Xincheng were appointed as Directors by the Board on 20 July 2023 and 1 September 2023 respectively. Pursuant to Article 85 of the Company's constitution, they will retire at the forthcoming AGM and be eligible for re-election. Both have consented to re-election.

Taking into account the attendance and participation at Board meetings, the NC is satisfied that the above retiring Directors have committed time to effectively discharge their responsibilities. The NC has recommended their re-elections with Mr Dong abstaining from the NC's deliberation concerning himself.

Provision 4.4
Determining Directors' Independence

Each Independent Director completes a checklist to confirm his independence on an annual basis. The NC has reviewed the independence of the Directors as mentioned under Provision 2.1 above.

Provision 4.5
Multiple Board Representations

The NC is of the view that it is inappropriate to set a limit on the number of listed company directorship that a Director may hold. This is because Directors have different capabilities, and the nature of the organizations in which they hold appointments and the kind of committees on which they serve are of different complexities. It would be better for each Director to personally determine the demand of his or her competing directorships and obligations and to assess the number of directorships he or she could hold and serve effectively.

The NC has considered the multiple directorships of some Directors, as shown in the section entitled "Board of Directors" of this 2023 Annual Report. The NC has also considered the Directors' principal commitments and their contribution to the Board. The NC is satisfied that the Directors spent adequate time on the Group's affairs and have duly discharged their duties.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors

Provisions 5.1 and 5.2
Conduct of Board Performance

The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole and the contribution of individual Directors to the effectiveness of the Board.

- Evaluation of the Board

  The NC reviews the Board's performance evaluation criteria. The performance criteria for Board evaluation includes governance, leadership and strategy, control and risk management, Board process, Board accountability, communication with the Management and engagement with shareholders and investors. The performance criteria have not changed from previous years.

The NC will conduct the evaluation via a questionnaire which is completed by each Director for the evaluation of the Board. The Company Secretary compiles the Directors' responses into a consolidated summary report which was discussed at the NC meeting with a view to implement certain recommendations if applicable to further enhance the effectiveness of the Board.

The NC will review the performance of the Board against the above criteria and its overall performance in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year under review.

- Evaluation of Board Committees

  The performance of the Board Committees are evaluated against their terms of reference and the objectivity and independence in their deliberations and recommendations they presented to the Board.

- Evaluation of individual Directors

  The individual Director is assessed on his or her knowledge of the Group's business and operations, business acumen, knowledge of corporate governance, contribution, communication engagement and integrity.

  For FY2023 and in respect of the Directors with multiple board representations, the NC has evaluated to ensure that the Director concerned is able to carry out and has been adequately carrying out his or her duties as a Director of the Company.

  For FY2023, The NC has reviewed the Directors' evaluations of the Board and Board Committees as a whole, and is satisfied that the Board and Board Committees have been effective in the conduct of its duties and the Directors have each contributed to the effectiveness of the Board. The Board is satisfied that each Director has allocated sufficient time and resources to the affairs of the Group.

  No external facilitator was used in the evaluation process.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual directors and key Management personnel. No Director is involved in deciding his or her own remuneration

Provisions 6.1 and 6.2
Remuneration Committee

The RC comprises the following three members, of whom two, including the Chairman of the RC, are independent.

Mr Chan Siew Wei	Chairman	Independent Director
Mr Dong Xincheng	Member	Independent Director
Ms Li Shi	Member	Non-Executive Director

The RC carried out their duties in accordance with the terms of reference which include the following:

(a) To recommend to the Board a framework for remuneration for the Directors and key Management personnel of the Group;

(b) To determine specific remuneration packages for each Executive Director as well as key Management personnel;

(c) To review the appropriateness of compensation for Non-Executive Directors; and

(d) To review the remuneration of employees occupying managerial positions who are related to any Director and/or substantial Shareholder.

Provision 6.3
Review of Remuneration

All aspects of remuneration, including but not limited to the Directors' fees, salaries, allowances, bonuses and benefits in-kind, will be covered by the RC. Each RC member will abstain from voting on any resolution in respect of his or her remuneration package. The recommendations of the RC will be submitted to the Board for endorsement.

The RC also reviews the Company's obligations arising in the event of termination of service of the Executive Directors and key Management personnel. Each of the Executive Directors and key Management personnel has an employment contract with a company of the Group which can be terminated by either party giving a notice of resignation/termination. Each appointment is on an ongoing basis, and no onerous or over-generous removal clauses are contained in any letter of employment.

The Group does not have any contractual provisions in the service agreements or employment contracts for any Group company to reclaim incentive components of remuneration from the Executive Directors and key Management personnel.

Provision 6.4
Engagement of Remuneration Consultants

The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. For FY2023, the RC did not engage any expert professional advice.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key Management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company

Provision 7.1:
Remuneration of Executive Directors and Key Management Personnel

In setting remuneration packages, the RC will take into consideration the prevailing economic situation, the remuneration and employment conditions within the similar industry and with comparable companies.

The Executive Directors have service contracts and do not receive any Director's fee. They are paid a basic salary pursuant to their respective service agreements. Both the Executive Directors and key Management personnel are paid a variable bonus which is determined annually based firstly on the Group's performance and secondly on the contribution of the personnel in question to the performance of the Group.

The remuneration of the Executive Directors and key Management personnel is structured so as to link rewards to corporate and individual performance and is aligned with the risk policies of the Group and interests of the Shareholders in promoting the long-term success of the Group.

The performance of the Executive Directors (together with other key Management personnel) is reviewed periodically by the RC and the Board.

Provision 7.2
Remuneration of Non-Executive Directors

The Non-Executive Directors who are Independent Directors have no service contract and are compensated based on their level of contributions, taking into account of factors such as responsibilities, effort and time spent for serving on the Board.

The Independent Directors receive Directors' fees in accordance with their level of contributions, taking into account of factors such as effort and time spent, as well as the responsibilities and obligations of the Directors. The Company recognizes the need to pay competitive fees to attract, motivate and retain Directors without being excessive and thereby maximizing Shareholders' value. The Directors' fees are recommended by the Board for approval by the Shareholders at the AGM. The Executive Directors do not receive Directors' fees but are remunerated in a similar manner as the members of the Management.

Each RC member will abstain from voting on any resolution in respect of his own remuneration package. The RC considers that the current fee structure adequately compensates the Non-Executive Directors, without over-compensating them so as to compromise their independence.

The Company will submit the quantum of the Directors' fees of each financial year to the Shareholders for approval at each AGM.

Provision 7.3
Appropriate Remuneration to Attract, Retain and Motivate Key Management Personnel and Directors

The RC is satisfied that the remuneration structure of the Executive Directors and key Management personnel (as described under Provision 7.1) and of the Non-Executive Directors (as described under Provision 7.2) are appropriate to attract, retain and motivate the Directors to continue in their roles as stewards of the Company and the key Management personnel to contribute to the performance of the Group.

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation

Provision 8.1 Remuneration Report

Remuneration of Executive Directors and CEO

The following table shows a breakdown of the annual remuneration paid or payable to each of the Directors and CEO for FY2023:

Remuneration Band	Director's Fee	Salary	Bonus	Other Benefits	Total
	%	%	%	%	%
Up to S$250,000					
Executive Directors					
Mr Zhai Kebin	–	99	–	1	100
Mr Guo Wenjun	–	100	–	–	100
Ms Dong Lingling[1]	–	99	–	1	100
Non-Executive Directors					
Mr Lim Han Boon[2]	100	–	–	–	100
Mr Chan Siew Wei	100	–	–	–	100
Mr Dong Xincheng[3]	100	–	–	–	100
Ms Li Shi[4]	–	–	–	–	–

1 Ms Dong Lingling ceased as Director effective from 15 November 2023.
2 Mr Lim Han Boon ceased as Director, AC Chairman and member of the NC and RC effective from 15 November 2023
3 Mr Dong Xincheng was appointed Director and a member of AC, NC and RC effective from 1 September 2023. He was re-designated to NC Chairman effective from 12 March 2024.
4 Ms Li Shi was appointed as a Director effective from 20 July 2023. She was appointed as AC and RC member effective from 15 November 2023. Ms Li Shi does not receive any remuneration in FY2023.

The Executive Directors, who sit on the Board, hold executive positions in the Group's key subsidiaries in China. There is no requirement for corporations in China to disclose the detailed remuneration of individual directors and executives. As such detailed disclosures in Singapore would affect the confidentiality of the Executive Directors' remuneration in China, the Chinese subsidiaries concerned would then be put in a position of unequal treatment concerning the confidentiality of their employees' remuneration and their executives who are on the Board would then be disadvantaged unfairly. In addition, given the highly competitive conditions in the market place where poaching of executives is not uncommon, it is not in the interest of the Company to disclose the remuneration of individual Executive Directors. The Board is of the view that it would be disadvantaged to the Group to detail the remuneration of the Executive Directors.

Each of the Independent Directors' remuneration comprises wholly Directors' fee of not more than S$250,000.

While the exact remuneration of the Executive and Non-Executive Directors are not given, the level and composition of the Directors' remuneration packages expressed in percentage terms are provided above. The Company believes that such disclosure will balance the interest of the Company and provide the shareholders with an adequate appreciation of the Directors' remuneration packages and is consistent with the intent of Principle 8 of the Code.

Remuneration of Key Management Personnel (who are not Directors or CEO)

The following table shows the remuneration of the top three Key Management Personnel of the Group for FY2023:

Remuneration Band and Name	Salary %	Bonus %	Other benefits %	Total %
Up to S$250,000				
Guo Yinghui	96	–	4	100
Mr Ho Kok Weng	100	–	–	100
Mr Zhang Junxiao	94	–	6	100

The key Management of the Group comprised three personnel, who are not the Directors or CEO of the Company, as disclosed in the key section entitled "Key Management" of this 2023 Annual Report.

The aggregate remuneration paid to these top three key Management personnel amounted to RMB1,610,551 for FY2023.

Provision 8.2

Remuneration of Employees who are Substantial Shareholders or Immediate Family Members of a Substantial Shareholder, Director or the CEO

For FY2023, other than Mr Guo Yinghui, a substantial shareholder of the Company, and Mr Guo Wenjun, a son of Mr Guo Yinghui, whose remuneration are disclosed above, there is no immediate family member of any substantial Shareholder or Director employed within the Group whose annual remuneration exceeds S$100,000.

Provision 8.3
Employee Share Scheme

The Company does not have any share incentive schemes for its employees. The RC has reviewed and is satisfied that the existing remuneration structure of the Management personnel and executives, paid out in cash, would continue to be adequate in incentivizing performance without being over-excessive. For the other staff, the general preference is also to reward them in cash.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk. The Board should ensure that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives

Provision 9.1
Risk Management and Internal Controls System

The Board reviews the Group's business and operational activities to identify areas of significant business risks as well as the measures in place to control and mitigate these risks within the Group's policies and business strategies. The risk assessment exercise also includes identifying and assessing key risk areas to the Group, such as financial, operational, compliance and information technology risks, based on the feedback by the Group's accounts department and the External Auditors. The Board oversees the Management's implementation of the risk management and internal controls system. The Board is also responsible for the governance of risk management and, in consultation with the External Auditors and the AC, the determination of the Group's levels of risk tolerance and risk policies.

The Board recognized that the system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and that no system of internal controls can provide absolute assurance against the occurrence of errors, poor judgment in decision making, losses, frauds or other irregularities. It can only provide reasonable and not absolute assurance against material misstatement of loss so that the Group will not be adversely affected by any event that can be reasonably foreseen.

The AC assists the Board in its role of overseeing the governance of risks in the Group to ensure that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets. Having considered the Group's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

The Group regularly conducts review on the adequacy and effectiveness of the key Group's material internal controls, including financial, operational, compliance and information technology controls, and risk management systems. The review covers aspects which include revenue and cash management; procurement; tenancy management; IT general controls; financial preparation; as well as human resource and payroll controls, and any material findings uncovered therefrom are thereafter presented to the AC.

As part of the external audit plan, the External Auditors also review certain key accounting controls relating to financial reporting (covering only selected financial cycles) and highlight material findings, if any, to the AC. The AC and the Board review all material findings and the effectiveness of the actions taken by the Management on the recommendations made by the External Auditors in this respect.

Provision 9.2:
Assurance from CEO and CFO

The Board and the AC have received the following written assurances:

(a) From the CEO and the Chief Financial Officer ("**CFO**") that the financial records of the Group had been properly maintained and the financial statements for FY2023 gave a true and fair view of the Group's operations and finances; and

(b) From the CEO and Acting Risk Controller of the Group that the risk management and internal control systems in place within the Group were adequate and effective in addressing the material risks of the Group in its current business environment, including material financial, operational, compliance and information technology risks.

Board's Comment on Adequacy and Effectiveness of Internal Controls

Pursuant to Rule 1207(10) of the Listing Manual, based on the review of the key risks identified, and the internal controls established and maintained by the Group, work performed by the External Auditors, reviews performed by Management, various Board Committees and the Board, and the aforesaid assurances from the CEO and Acting Risk Controller, the Board is of the opinion that the Group's system of internal controls in addressing financial, operational, compliance and information technology controls and risk management systems were adequate and effective as at 31 December 2023. Based on its review of the internal controls and aforesaid assurances received from the CEO and Acting Risk Controller, the AC concurred with the Board's opinion.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively

Provisions 10.1 and 10.2
AC Membership

As at the date of this report, the AC comprises three members, of whom two, including the Chairman of the AC, are independent:

Mr Chan Siew Wei	Chairman	Independent Director
Mr Dong Xincheng	Member	Independent Director
Ms Li Shi	Member	Non-Executive Director

- Expertise of AC Members and AC to Keep Abreast of Changes to Accounting Standards

  The Chairman of the AC, Mr Chan Siew Wei is an existing fellow member of the Institute of Singapore Chartered Accountants. The AC benefits from Mr Dong's experience as a practicing lawyer and business experience as a partner in a law firm, and Ms Li Shi's business experience in supply chain management. The members of the AC received updates to the accounting standards through briefings from the External Auditors. The Board is satisfied that the members of the AC are able to discharge the AC's functions.

- Roles, Responsibilities and Authorities of AC

  The AC functions under the terms of reference that sets out its responsibilities as follows:

  (a) To review with the External Auditors the latter's audit plan, the system of internal accounting controls of the Group, the audit report and the management letter (including the corresponding response from the Management);

(b) To review the co-operation given by the officers and staffs of the Group to the External Auditors;

(c) To review significant financial reporting issues and judgements in ensuring the integrity of the financial statements of the Company and the Group and any announcements relating thereto;

(d) To review the internal controls and procedures (in ensuring co-ordination between the External Auditors and the Management) and the assistance given by the Management to the External Auditors on problems and concerns, if any, arising from the interim and final audits and any matters which the External Auditors may wish to discuss (in the absence of the Management, where necessary);

(e) To review and discuss with the External Auditors any suspected fraud or irregularity or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response thereof;

(f) To review the assurance from the CEO and the CFO on the financial records and financial statements of the Company and the Group;

(g) To review, at least annually, the adequacy and effectiveness of the Company's internal controls and risk management systems;

(h) To consider and recommend the appointment or re-appointment of the External Auditors and matters, if any, relating to the resignation or dismissal of the External Auditors;

(i) To review, if any, interested person transactions falling within the scope of Chapter 9 of the Listing Manual;

(j) To review, if any, potential conflicts of interest;

(k) To review policy or arrangement concerning possible improprieties in financial reporting or other matters to be safely raised;

(l) To undertake such other reviews and projects as may be requested by the Board from time to time and report to the Board its findings thereof on matters which require the attention of the AC; and

(m) To undertake such other functions and duties as may be required by the statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

The External Auditors had identified the key audit matters ("**KAMs**") in respect of the statutory audit of the Company and the Group for FY2023 and had set out the work they performed to ensure the accounting in respect of the KAMs are in accordance with accounting standards. The AC considered the appropriateness of the External Auditors' work and findings and concurred with the External Auditors.

The AC has full access to and co-operation of the Management and has full discretion to invite any Director or executive officer to attend its meetings and has been given reasonable resources to enable it to discharge its functions.

- Independence of External Auditors

The AC reviews the independence of Crowe Horwath First Trust LLP ("**Crowe Horwath**"), the External Auditors annually. The AC had reviewed the audit fees of S$175,000 for FY2023 (FY2022: S$240,000). There were no non-audit fees paid to the External Auditors in FY2023 and in the previous year. The AC was satisfied that there were no non-audit services and fees to prejudice the independence and objectivity of the External Auditors. The AC recommended that Crowe Horwath be nominated for re-appointment as External Auditors of the Company at the forthcoming AGM at remuneration to be renegotiated.

In appointing the auditors of the Group companies, the AC is satisfied that the Company has complied with Rules 712 and 715 of the Listing Manual in engaging Crowe Horwath as the External Auditors of the Company. Crowe Horwath is registered with the Accounting and Corporate Regulatory Authority. The Company's sole subsidiary in Singapore and non-significant foreign subsidiaries are not required to be audited. The Company has no associated company. The Company's External Auditors, Crowe Horwath, have audited the Group's significant foreign subsidiaries for the purpose of expressing an opinion on the consolidated financial statements.

- Whistle-blowing Policy

  The AC is responsible for oversight and monitoring of whistleblowing matters.

  The Company has in place several channels for whistleblower to raise concerns to the AC.

  All whistleblowing reports will be handled confidentially. The identity of the whistleblower making the allegation will be kept confidential and confined to disclosures on a need-to-know basis to the AC, the investigating team, the Board of Directors of the Company; and any party to whom the identity of the whistleblower is required to be disclosed by law.

  Investigation to be carried out on a whistleblowing report will be referred to the AC who shall nominate an independent investigation team to conduct the investigation. All members of the investigation team shall be independent and conduct the investigation impartially. Depending on the nature of the whistleblowing matter or information provided, the investigation team (upon approval from the AC) may consult external professionals with relevant knowledge or experience to assist with the investigation. Based on the outcome of the investigation, the AC shall decide on the appropriate action.

  The Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern. If the whistleblower has suffered adverse treatment, harassment or victimisation as a result of his or her disclosure, he or she should submit a formal complaint under the grievance procedure to the Human Resource Manager and any higher authority, as appropriate. An investigation may take place and disciplinary action may be taken against any person who attempts to: impede, prevent, or obstruct a whistleblowing report from being made or an investigation from being carried out; harass or victimise the whistleblower; or subject the Whistleblower to detrimental or unfair treatment.

  There was no whistle-blowing report received during FY2023.

  Details of the whistleblowing policy and related arrangement are conveyed during staff orientation as part of the Group's efforts to provide a trusted avenue for employees to report serious misconduct, malpractice or concerns, particularly in relation to fraud, controls or ethics.

Provision 10.3
Partners or Directors of the Company's Auditing Firm

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

Provision 10.4
Internal Audit Function

The Group did not engage any internal auditors for FY2023. The Group's accounts department handles the internal audit function to review the internal controls, risk management and compliance systems of the Group, and reports findings and makes recommendations directly to the Chairman of the AC on all internal audit matters and to the CEO on all administrative matters.

The Company will outsource its internal audit function to an external consultancy firm as and when it is needed. Having regard to the scope and nature of the Group's current operations, the AC and the Board are of the opinion that the current system of internal controls in place is adequate to mitigate normal operational risks.

The AC will also review the audit plans and findings of the External Auditors and will ensure that the Group follows up on the External Auditors' recommendations raised during the audit process, if any. The AC is generally satisfied with the independence, adequacy, and effectiveness of the current arrangement, and will continue to assess its effectiveness regularly.

Provision 10.5
Meeting with External and Internal Auditors without Presence of Management

During FY2023, the AC had met with the External Auditors without the presence of the Management to review any area of audit concern. *Ad-hoc* meetings by the AC with the External Auditors may be carried out from time to time as dictated by circumstances.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 11: The Company treats all Shareholders fairly and equitably in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects

Provision 11.1
Providing Opportunity for Shareholders to Participate and Vote at General Meetings

The Company's AGMs are the principal forums for dialogue with the Shareholders. At the AGM, Shareholders are given the opportunities to express their views and ask the Board and the Management questions regarding the affairs of the Group.

The Company is governed by the Companies Law of the Cayman Islands, which recognizes only persons who hold shares registered in their names in the register of members (the "**Registered Members**") as their members. The Central Depository (Pte) Limited ("**CDP**") is a Registered Member. Though the depositors who hold the Company's shares via CDP (the "**Depositors**") are not Registered Members, they are accorded the rights of members to attend and vote at general meetings of the Company as CDP's proxies in the Company's Constitution and the right to appoint sub-proxies to attend and vote in their stead. Shareholders, be it the Registered Members or the Depositors, are encouraged to attend the AGMs and Extraordinary General Meetings ("**EGMs**") to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Every Shareholder has the right to receive notice of general meetings and to vote thereat. Notice of a general meeting is sent out at least 14 days before the meeting so that sufficient notice of meeting is given to Shareholders to attend the meeting or appoint proxies to attend and vote in their stead. Notice of the AGM and EGM will be advertised in newspapers and announced on SGXNET.

All resolutions at general meetings are put to vote by poll. Voting and vote tabulation procedures are disclosed at the general meetings. Votes cast for, or against, each resolution will be read out to Shareholders immediately after vote tabulations. The total numbers of votes cast for or against the resolutions are also announced after the general meetings via SGXNET.

Provision 11.2
Separate Resolutions at General Meetings

The Company will have separate resolutions at general meetings on each distinct issue.

Provision 11.3
Attendance of Directors and auditors at general meetings

In 2023, the Company held its AGM. The Directors, including the chairpersons of each of the Board Committees, were present at the meetings. The External Auditors were also present at the AGM.

Provision 11.4
Absentia Voting

The Company's Constitution allows a Shareholder (including a nominee company) who is unable to attend a meeting to appoint up to two proxies. The Company is governed by the Companies Law of the Cayman Islands which has no provision for nominee company to appoint more than two proxies. However as mentioned in Provision 11.1, Depositors who hold the Company's shares via CDP (though are not Registered Members), are accorded the rights of members to attend and vote at general meetings of the Company as CDP's proxies in the Company's Constitution, and if they are not able to attend a meeting, they have the right to appoint sub-proxies to attend and vote in their stead. The Company's Constitution does not allow shareholders to vote in absentia. The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

Provision 11.5
Minutes of General Meetings

The Company prepares minutes of general meetings detailing the proceedings and questions raised by Shareholders and answers given by the Board and the Management. The minutes will be taken and published in the Company's corporate website at http://www.chinamining-international.com. and through SGXNET.

Provision 11.6
Dividend Policy

For FY2023, no dividend was declared or recommended due to the performance of the Group. The Company does not have a policy on payment of dividend. In proposing any dividend payment, the Board will consider the level of cash balance of the Group, its performance and projected capital expenditure and investments required.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company

Provision 12.1
Avenues for Communication between the Board and Shareholders

The Company communicates with its Shareholders and the investment community through the timely release of financial statements and announcements to the SGX-ST via SGXNET. Annual Reports are distributed to Shareholders at least 14 days before each AGM.

In accordance with the Listing Rules, it is the Board's policy that all Shareholders be informed on a timely basis of all major developments that impact the Group. The Company does not practice selective disclosure, and any price sensitive information is publicly released on an immediate basis where required under the Listing Rules.

The Group supports and encourages active Shareholders' participation at general meetings. The Board believes that general meetings serve as an opportune forum for Shareholders to meet the Board and key Management personnel, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all Shareholders. The notices are also released via SGXNET and on the Company website. The Company's Constitution allows the appointment of proxies by Registered Members and the appointment of sub-proxies by Depositors (as mentioned in Provision 11.1) to attend general meetings and vote on their behalf.

Provisions 12.2 and 12.3
Investor Relations

The Company's investor relation policy is to communicate with its Shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNET and to ensure equal dissemination of information to all Shareholders and investors.

The Company's website allows Shareholders, investors and the public to have access to information on the Group, including the Company's announcements made to the SGX-ST on the Company's website at http://www.chinamining-international.com.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served

Provisions 13.1 and 13.2
Engage with its Material Stakeholder Groups

The Group's material stakeholders are its Shareholders, customers, employees, business partners and the community and the Company engages with them through its sustainability initiatives as set out in its Sustainability Report for FY2023 contained in this 2023 Annual Report. Please refer to the Sustainability Report for FY2023 for details. In compliance with new Listing Rules that take effect from 1 January 2022, the sustainability reporting process has been subject to internal review in FY2023. All the Directors have undergone training on sustainability matters as prescribed by the SGX-ST. The Directors will continue to undergo training on sustainability matters to keep themselves updated as and when appropriate.

Provision 13.3
Corporate Website to Communicate and Engage with Stakeholders

The Group maintains a corporate website at http://www.chinamining-international.com which stakeholders can access information on the Group. The website provides, *inter alia*, corporate announcements, press releases and profiles of the Group.

OTHER CORPORATE GOVERNANCE MATTERS

INTERESTED PERSONS TRANSACTIONS

When a potential conflict of interest arises, the Director concerned does not participate in any related discussions and refrains from exercising any influence over other members of the Board.

The Company has established reviews and approval procedures to ensure that interested person transactions entered into by any company of the Group are conducted on normal terms and are not prejudicial to the interest of the Shareholders. The Board meets quarterly to review if the Company enters into any interested person transaction.

The AC has reviewed the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the Shareholders.

Disclosure of interested person transactions for FY2023 is set out as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions conducted (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Nil	Nil	Nil	Nil

DEALINGS IN SECURITIES

The Company has in place a policy prohibiting share dealings by Directors and employees of the Group one month before the announcement of its half year and full year unaudited financial statements.

All Directors and employees of the Group who are in possession of any unpublished material price-sensitive or trade-sensitive information of the Group should not deal in the Company's securities. The Directors and employees are expected to observe the insider trading laws at all times, even when dealing in the securities of the Company within the permitted trading period.

The Company has in place a policy prohibiting dealings in the Company's securities by Directors and employees of the Group:

(a) one month before the announcement of its half year and full year unaudited financial statements (the "**non-dealing period**");

(b) on short term considerations; and

(c) when in possession of unpublished price-sensitive or trade-sensitive information.

Two weeks before each non-dealing period, the Company Secretary will notify the Directors and CEO of the Company's share trading prohibition policy, and the management of the Company will ensure that employees of the Group are duly informed of the same

Based on the aforesaid, the Company confirms it has complied with the best practice pursuant to Listing Rule 1207(19)(c) in not dealing in its securities during the restricted trading periods.

	Dong Xincheng ("Mr Dong") (for re-election)	**Li Shi ("Ms Li") (for re-election)**
First appointed	1-Sep-2023	20-Jul-2023
Last re-elected	-	-
Age	57	32
Country of principal residence	People's Republic of China	Singapore
The Board's comments on this re-election	The Board has accepted the recommendation of the Nominating Committee to re-elect Mr Dong Xincheng as an Independent and Non-Executive Director of the Company. The Board considers Mr Dong's legal expertise in China to be valuable to the Group.	The Board has accepted the recommendation of the Nominating Committee to re-elect Ms Li as a Non-Independent and Non-Executive Director of the Company. The Board considers Ms Li's background, expertise, experience, and commitments in discharging her duties as a Non-Independent and Non-Executive Director and is satisfied that she will contribute to the Group.
Whether re-election is executive, and if so, the area of responsibility	The appointment is Non-Executive.	The appointment is Non-Executive.
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	Independent and Non-Executive Director, Chairman of Nominating Committee, Member of Remuneration Committee and Member of Audit Committee	Non-Independent and Non-Executive Director, Member of Remuneration Committee and Member of Audit Committee
Professional qualifications	Mr Dong graduated with a Bachelor Degree in Electronics, Major in Electronics and Information System from Zhengzhou University and he had obtained the Legal Professional Qualification Certificate in September 2002.	Ms Li graduated with a Bachelor Degree in Engineering (Industrial and System Engineering) with Honours (Merit) from National University of Singapore. She is currently pursuing a Master of Business Administration with National University of Singapore.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	From: January 2005 till now Henan Zhengfangyuan Law Firm Position Held: Practicing Lawyer, Partner	Ms Li is presently the Customer Care and Demand Management Manager of Givaudan Singapore Pte Ltd, a subsidiary of the Swiss multinational manufacturer of flavours, fragrances and active cosmetic ingredients. Ms Li has been with the said Singapore subsidiary since her graduation in 2016.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Additional Information on Directors Seeking Re-Election and Person Seeking Appointment

	Dong Xincheng ("Mr Dong") (for re-election)	**Li Shi ("Ms Li") (for re-election)**
Shareholding interest in the listed issuer and its subsidiaries?	Nil	Direct shareholding of 525,012 ordinary shares of the Company. Ms Li is deemed to be interested in the 204,500 ordinary shares held by her spouse, Mr Li Yi. These 204,500 shares are registered in the name of Tiger Brokers (Singapore) Pte Ltd held for Mr Li Yi.
"Other principal commitments including directorships"		
- Past (for the last 5 years)	Nil	Nil
- Present	Weiye Holdings Limited (Listed on Hong Kong Stock Exchange) Position Held: Independent Director	Nil
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	Mr Dong's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".	Ms Li's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".

About the Report

China Mining International Limited ("CMIL" or the Company), together with its subsidiaries ("the Group"), is pleased to present its Sixth Sustainability Report for the year ending 31 December 2023 ("FY2023"). The Group has published its Sustainability Report annually since 2018 as part of its Annual Report. This report demonstrates our commitment to Environmental, Social, and Governance ("ESG") values, detailing our methods for monitoring, assessing, and disclosing the outcomes of our sustainability initiatives.

Approach to Reporting

This Sustainability Report is prepared in reference to the Global Reporting Initiative ("GRI") Standards and incorporates the Task Force on Climate-related Financial Disclosures ("TCFD") framework for detailing our climate change strategies and impacts.

The GRI Standards were chosen as the reporting criteria due to their clear guidelines and the global benchmark for the disclosure of governance approach, environmental, social, and economic performance, as well as the impacts of organisations. By aligning with the GRI standards, we aim to benchmark our sustainability efforts globally, improving transparency and enabling comparisons with other organisations' initiatives. The addition of TCFD disclosures reflects our proactive approach to climate-related issues, offering stakeholders a clearer and more comprehensive view of our environmental strategies and their outcomes.

In preparing this report, we have considered stakeholder expectations, material concerns, and the overarching sustainability context. Our rigorous application of GRI and TCFD guidelines ensures a meticulous collection, analysis, and dissemination of essential data across various sustainability dimensions. This process enhances stakeholders' understanding of our sustainability journey and achievements, providing a detailed and transparent account of our progress.

Additionally, this report is compiled in strict compliance with the Singapore Exchange's Listing Rule 711B "Comply or Explain" directive. Our dedication to improving data gathering methods and our continuous commitment to sustainability are reflected with honesty and diligence, affirming our resolve to enhance our reporting and performance continually.

The Group has taken 2022 as its base year for the purpose of GRI Reporting.

This Report's information has been checked, reviewed, and explained for changes from one year to the next, and it is presented in a way that allows for meaningful comparison.

Reporting Scope and Boundary

This Sustainability Report presents data and pertinent business activities of the Group for the Financial Year 2023 ("FY2023"), covering the period from 1 January 2023 to 31 December 2023. The report is prepared at the consolidated level highlighting the Group's economic, environmental, social, and governance activities and initiatives.

The Group Structure is included as part of the Annual Report in the "Group Structure" section. The Group has adopted an operational control approach while consolidating the information.

All consolidation, mergers, acquisitions, and disposal of entities are performed in accordance with IFRS standards.

Assurance of the Report

Our Internal accounts department was assigned the responsibility of reviewing our current processes for sustainability reporting. The scope of the audit included a risk-based examination of several key areas, such as the management and governance of sustainability efforts, along with the identification, prioritisation, and assessment of ESG related risks and opportunities. The audit also involved checking the accuracy of sustainability data, disclosures related to climate change, and compliance with local regulatory standards for reporting. During this reporting cycle, we opted not to seek external assurance for our findings.

Feedback

CMIL is dedicated to improving its sustainability reporting and highly values feedback from all stakeholders. The company encourage you to share your insights and recommendations regarding our sustainability efforts. Should you have any questions or wish to provide comments on our sustainability initiatives, please do not hesitate to reach out to us at:

You can provide feedback via email at heguorong@chnmining.cn.

Board Statement

The Board of Directors is pleased to introduce the Annual Sustainability Report for the year 2023, showcasing our steadfast dedication to sustainability and ethical practices during FY2023. This report has been meticulously prepared in accordance with Sections 711A and 711B of the listing rules stipulated in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX"), drawing upon the GRI Standards for guidance. Furthermore, we are excited to present our inaugural report based on the TCFD, highlighting our proactive approach to understanding and addressing the implications of climate change. This initiative reflects our ongoing commitment to integrating climate considerations into our strategic planning and operations, underlining our resolve to lead in corporate responsibility and sustainability.

Our goal is to provide clear and honest insights into our sustainability journey, including both our achievements and the challenges we face, thereby building trust, enhancing stakeholder relations, and bolstering our reputation as a conscientious entity.

The Board has seamlessly woven sustainability considerations into our strategic outlook, pinpointing the ESG aspects crucial to our operations.

The Board maintains oversight over the management and monitoring of the material ESG factors by participating in the identification of material ESG factors. This is performed by taking into consideration the relevance of such factors to the business strategy, business model and key stakeholders of the Group as per the GRI reporting framework. The Board also participates on the annual review on material issues to ensure relevance over time.

The Board also meticulously reviewed this report prior to its release to ensure it accurately and fully conveys our commitment to and progress in sustainability. We operate with integrity, reliability, and a commitment to producing high-quality goods while striving to lessen our environmental footprint.

Our commitment to exemplary corporate governance and sustainable business practises is unwavering. We are dedicated to upholding the highest standards of transparency, responsibility, and ethical behaviour, ensuring our long-term success, and creating enduring value for our stakeholders and the communities we engage with.

About the Company

China Mining International Limited is a Public Limited Company domiciled and incorporated in Cayman Islands and is listed on the Main Board of SGX. Its headquarters are located at Henan Province, the People's Republic of China ("PRC").

With its agricultural business, the Group is currently active in the agriculture and trading sectors. Investments in the mining are part of the investment segment. The Group's agriculture section is involved in pomegranate plantations and cultivation, as well as trading, distributing, importing, and exporting agricultural products and goods connected to agriculture.

Our Vision and Mission

With a vision to establish CMIL as a cornerstone of sustainability for generations to come, fostering a legacy that endures for a century, we are committed to a mission that embodies a people-oriented approach. By fostering sincere cooperation, and relentlessly pursuing excellence, we ensure a culture ensuring that we are never complacent. Through these principles, we strive to create enduring value and drive capital appreciation for our shareholders, customers, and team members.

Our Goals:

- **Sustainable Growth:** Continuously enhance our operational efficiency and environmental stewardship to achieve sustainable growth.

- **Stakeholder Engagement:** Foster mutually beneficial partnerships with stakeholders, prioritising transparency, accountability, and trust.

- **Innovation and Adaptability:** Embrace innovation and adaptability across all facets of our operations to remain at the forefront of sustainable practises.

- **Social Responsibility:** Fulfil our social responsibilities by contributing positively to the communities in which we operate and upholding ethical standards.

Our Value Chain

The Group outlines the comprehensive approach in managing its operations, which spans from self-production to external procurement. Our activities extend from cultivating pomegranates to their sale, along with trading other fresh fruits across the national market, illustrating a broad spectrum of operations within the agri-business sector.

The Group is also actively engaged in future trade initiatives, enhancing our presence in both online and offline markets. Our online business platforms include partnerships with notable names such as Meituan Selection, Duoduomaicai, Taocai, and Hema, alongside our proprietary online mall. In the offline realm, our activities encompass the Wanbang wholesale market, community group purchasing, and corporate group purchasing, illustrating our diverse approach to reaching our customers. Noteworthy customer procurement relationships include partnerships with Jimei Health (Shandong) Co., Ltd., and Shandong Meiguolai Food Co., Ltd., further expanding our market influence.

Furthermore, the Group's trading activities through Henan Central Agriculture and Commerce Co., Ltd. and represent vital downstream components of our value chain. These engagements signify our commitment to diversifying our business operations and strengthening our position in the agri-business sector.

Key to our value chain strategy is the Group's dedication to fostering strong, positive relationships with our suppliers. Through consistent and transparent communication, we aim to build a network of trust and cooperation, ensuring a sustainable and prosperous marketplace for all stakeholders involved. This strategy not only underscores our commitment to sustainable business practices but also enhances our capacity to deliver high-quality products and services across our value chain.

Our Associations

CMIL acknowledges the vital importance of engaging with fellow industry players and leading thinkers to promote sustainable practices and instigate beneficial transformations. In alignment with our dedication to sustainability, we are honoured to be affiliated with various esteemed centres that echo our aspirations for a sustainable and robust future. These affiliations provide our team with valuable opportunities to network, exchange professional insights, and remain abreast of the latest industry developments. Such engagements also enable our Group to enhance its competencies, paving the way for sustainable advancement.

- Pomegranate Branch of Chinese Horticultural Society
- China Green Food Expo
- National Modern Agriculture Expo
- National Standardization Administration Committee
- Henan Women's Federation
- Henan Provincial Department of Culture and Tourism
- Henan Green Food Development Center

Our Awards, Accolades and Certification

During FY2023, the Group has won numerous awards, accolades, and certifications, including:

Henan Soft Seed Pomegranate Technology Research Center
National Standard of Agriculture Farms
National Best Agricultural Products
Henan Green & Healthy Food Demonstration Base
Quality Management System Certification
Two Integration Management System Certification
China Good Agricultural Practices Certification
Organic Product Certification
Green Food Certification
Henan Small and Medium-Sized Sci-Tech Enterprises
Agricultural Standardisation of Henan Province
Key Leading Enterprises of Agricultural Industrialisation in Zhengzhou
Henan Province "Three Products and One Standard" demonstration base
The Fifth Xingyang Mayor Quality Award
Key Provincial Leading Enterprise of Agricultural Industrialisation
Key Leading Enterprise of Forestry Industrialisation City
National Agricultural Product Quality Safety, Nutrition and Health Science Production Base
Zhengzhou Special Fine New Small and Medium-Sized Enterprises

This outlines the Group's dedication towards achieving excellence and its commitment to high-quality products. It also provides a competitive advantage by setting the Group apart from its competitors. It further encourages the Group to strive towards greater performance.

Sustainability At CMIL

The Group upholds sustainability as a fundamental operating principle and has implemented a balanced approach towards achieving it by paying close attention to its ESG elements. This approach incorporates the principles of resource efficiency, minimal use of pesticides, prioritisation of the workforce's productivity, health, and well-being, adherence to relevant regulations, and implementation of a comprehensive system to manage operational and corporate risks.

To ensure a structured approach to sustainability efforts, the Group has established a comprehensive reporting framework. This framework serves as a basis for engagement with stakeholders and materiality analysis. Through stakeholder mapping, the Group has identified eight significant stakeholder groups essential to its sustainability context. The Materiality section of this report thoroughly examines the various material challenges relating to each stakeholder group.

The Sustainability Reporting framework is designed to incorporate stakeholders' requirements and perspectives when making sustainability decisions. The Group's focus on materiality and stakeholder engagement enables it to prioritise sustainability initiatives and track progress over time continually. The Group is committed to transparency and continuous development, as reflected in its ongoing efforts to refine, and improve the sustainability reporting framework to effectively guide its sustainability initiatives.

The Group aims to improve social and economic conditions in the communities where it operates while making the environment more sustainable.

While sustainability remains a key priority for the Group, we were unable to establish specific targets for FY2023. This is due to unforeseen disruptions caused by the requisition of leased farmland for government infrastructure projects in China. This land was critical for our pomegranate cultivation and harvesting operations, and its loss has significantly impacted our overall resource consumption profile.

We understand the importance of setting measurable goals for sustainability initiatives. However, in this instance, a realistic baseline is currently difficult to establish due to the ongoing adjustments to our operations.

We are committed to regaining operational stability for our pomegranate business. Once achieved, we will conduct a thorough review and establish a well-defined energy reduction target for the coming year. In the interim, we will continue to explore sustainability opportunities across our remaining operations.

Stakeholder Engagement

In our commitment to sustainability, stakeholder engagement remains a cornerstone of our strategy, recognising the invaluable insights and contributions of our diverse stakeholder groups.

Our engagement efforts encompass a wide array of participants including our customers, employees, shareholders, investors, suppliers, government bodies and regulators, local communities, and business partners. Through open dialogue, transparent communication, and collaborative initiatives, we aim to address the needs and concerns of these stakeholders, ensuring that our sustainability practices are inclusive and aligned with their expectations. Regular interactions, feedback sessions, and participatory decision-making processes help us to refine our strategies, enhance our sustainability performance, and build stronger, trust-based relationships.

This multifaceted approach to stakeholder engagement enables us to navigate the complex landscape of sustainability challenges more effectively, driving positive change and fostering long-term value creation for all involved.

Key Stakeholders	Topics of Concern/ Key Priorities	Communication Channels	Frequency of Communication
Customers	• Quality of products • Product knowledge • Customer satisfaction • Complaint processing	• Regular client meetings • Direct mail • Phone calls • Visits • Study trips • Electronic communication applications such as WeChat, QQ	• Periodically throughout the year
Employees	• Career development • Employee welfare • Complaint processing • Wages • Health & Safety	• Regular dialogue • Internal memos • Direct mail and messages	• Ranges from monthly to yearly
Shareholders	• Shareholders' return • Accuracy and timeliness of disclosure • Key developments • Financial results	• Regular investor meetings • Direct mailings • Annual general meetings	• Periodically throughout the year
Investors	• Accuracy and timeliness of disclosures • Key developments • Financial results	• Announcement • Annual Report • Sustainability Report	• Periodically throughout the year
Suppliers	• Products & pricing • Service & product quality • Timely supply & payment • Complaint processing	• Financial & Operational Performance • Contract negotiations • Round-table discussions • Routine communications	• Periodically throughout the year

Key Stakeholders	Topics of Concern/ Key Priorities	Communication Channels	Frequency of Communication
Government and Regulators	• Compliance • Corporate governance • Timely disclosure • Protecting the interest of minority shareholders • Policies and regulatory updates and education • Timely submission of corporate documents and annual filings	• Reasonable business strategy • Emails, internet, news, phone calls • Participate in discussions on the formulation of policies, regulations, and standards. • Attend seminars and forums. • Roundtable discussions • Briefing and consultations	• As and when required
Communities	• Environmental impact • Pollution	• Meetings	• At least once a year
Business Partners	• Fair and ethical business conduct • Profit sharing • Project development plans • Budgets & funding	• Risk Management, Governance and Transparency • Contract negotiations • Regular conferences • High-level meetings • Routine operation communications	• Periodically throughout the year

Materiality Assessment

The Board and management identify the material ESG factors by taking into consideration the relevance of such factors to the business strategy, business model and key stakeholders of the Group as per the GRI reporting framework. The review on material issues is conducted annually, as materiality may evolve over time.

For the reporting period from 1 January 2023 to 31 December 2023, the key material ESG issues that are important to our prevailing business and stakeholders are identified and outlined as follows:

Material ESG Factor	Scope of Focus	Impact	Management Approach	SDGs
Economic	**Anti-corruption**	Impact on company reputation and credibility, loss of trust from stakeholders, legal repercussions including fines and penalties, and potential damage to relationships with business partners and investors	The Group has developed a whistleblowing policy to highlight any misconduct and misbehaviour of its employees to maintain high ethical standards of accountability, reliability, and integrity for its stakeholders. Sustainability approach and governance	
Environment	**Energy Management**	Reducing energy consumption and associated costs, minimising environmental impact through lower carbon emissions, and promoting sustainability by utilising renewable energy sources.	Company is exploring energy-efficient practices and explore renewable energy sources where feasible.	

Material ESG Factor	Scope of Focus	Impact	Management Approach	SDGs
	Reduce Carbon Emissions	Mitigating climate change effects, minimising environmental footprint, and demonstrating commitment to sustainability goals.	Company has adopted TCFD framework for assessment and will explore carbon reduction strategies such as optimising transportation routes and adopting eco-friendly farming practices.	13 CLIMATE ACTION
	Water Management	Conserving water resources, ensuring sustainable usage to support agricultural activities, and mitigating risks of water scarcity or contamination.	Majority of water usage in agricultural companies is from groundwater. Company will implement water conservation measure and explores efficient technology for water management.	6 CLEAN WATER AND SANITATION
	Waste and Hazardous Materials Management	Environmental pollution and degradation from improper waste disposal, health risks for workers and communities exposed to hazardous materials, and potential legal liabilities from non-compliance with waste management regulations.	The Group minimises its environmental impact and protects its natural assets so that its orchards continue to be productive, and its workers and communities can enjoy a clean and healthy environment.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Soil Health	Degradation of soil quality leading to decreased agricultural productivity, loss of biodiversity and ecosystem services, and increased susceptibility to erosion and desertification.	Focus on maintaining soil health while ensuring product quality. Conduct annual soil testing, implement soil conservation practices, and promote organic farming methods.	15 LIFE ON LAND
	Pesticide Use	Harmful effects on non-target organisms including beneficial insects and wildlife, contamination of soil and water sources, health risks for farmers and consumers exposed to pesticide residues, and development of pesticide-resistant pests.	Emphasis on certified organic products with minimal pesticide use. Reduce pesticide usage through integrated pest management practices and utilise organic farming methods.	2 ZERO HUNGER
Employee Care	**Employment and Retention of Employees**	Fostering a positive work environment, enhancing employee satisfaction and productivity, and reducing turnover costs.	Implement fair labor practices, provide competitive compensation, and offer opportunities for career growth and development.	8 DECENT WORK AND ECONOMIC GROWTH
	Employee Health and Safety	Increased risk of workplace accidents and injuries, higher healthcare costs for treating work-related illnesses, negative impact on employee morale and productivity, and potential legal liabilities from non-compliance with health and safety regulations.	Ensure the well-being of employees through regular communication and support. Conduct regular safety training, enforce safety protocols, and provide access to healthcare resources.	3 GOOD HEALTH AND WELL-BEING

Material ESG Factor	Scope of Focus	Impact	Management Approach	SDGs
	Training and Development	Enhancing employee skills and competencies, improving organisational performance, and fostering career growth and job satisfaction.	Focus on employee training and skill development. Provide comprehensive training programs, mentorship opportunities, and continuous learning initiatives.	8 DECENT WORK AND ECONOMIC GROWTH
	Child and Forced Labour	Upholding human rights principles, ensuring ethical labor practices, and avoiding reputational damage associated with labor exploitation.	Ensure compliance with laws and regulations prohibiting child and forced labor. Implement strict policies against child and forced labor, conduct regular audits, and maintain transparency in labor practices.	8 DECENT WORK AND ECONOMIC GROWTH
Customer Satisfaction	**Product Safety and Quality**	Ensuring customer satisfaction and loyalty, complying with regulatory standards, and mitigating risks of product recalls or legal liabilities.	Ensure products meet safety and quality standards. Adhere to organic certification standards, implement quality control measures, and conduct regular product testing.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Governance	**Corporate Governance and Business Ethics**	Maintaining trust and credibility with stakeholders, preventing financial misconduct or fraud, and upholding ethical business practices.	Focus on corporate social responsibility and ethical business practices. Maintain a diverse and balanced Board of Directors, adhere to a comprehensive Code of Business Conduct, and prioritise social responsibility initiatives.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Compliance with Laws and Regulations	Legal penalties and fines for non-compliance, reputational damage and loss of business opportunities, disruption to operations from regulatory investigations and enforcement actions.	Ensure compliance with all applicable laws and regulations. Stay informed of regulatory changes, conduct regular compliance audits, and establish internal controls to ensure adherence to legal requirements.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Environment Sustainability

The Group is committed to conducting its business in a manner that respects the environment and minimises its impact wherever possible. The Group recognises the importance of environmental stewardship and strives to balance its business needs with sustainability considerations. As part of this commitment, the Group exercises a precautionary approach in managing its environmental impact.

The Group continuously reminds its employees to contribute to overall waste management efforts, primarily focusing on conserving and reducing the resources used in the operations.

The Group encourages its employees to reduce paper usage by using emails, social media, or the internet to transfer sensitive files or documents. If printing is required, the Group advises its employees to use the toner-saving mode and purchase paper with recycled content or from a sustainable source. The Group also encourages its service providers to send electronic invoices instead of through mails and couriers.

The Group's environmental management is an ongoing effort, and it continually monitors the effectiveness of its policies to achieve a greener footprint. In FY2023, the Group did not receive any fines or sanctions for non-compliance with environmental laws and regulations. The Group remains committed to improving its environmental performance and reducing its environmental impact.

Reduction of Carbon Emissions

To measure our progress in reducing carbon emissions, we regularly monitor and report on our greenhouse gas emissions, including both direct (Scope 1) and indirect (Scope 2) emissions. We currently do not include emissions from our value chain partners (Scope 3). We are committed to continuously identifying and pursuing opportunities to reduce our emissions and improve our energy efficiency.

We recognise that addressing climate change requires a collective effort, and we are committed to playing our part in creating a sustainable future. We understand the importance of reducing our carbon footprint and are dedicated to implementing solutions that align with our sustainability goals while maintaining the highest standards of quality and efficiency in our operations.

Scope 1 emissions, which include direct emissions from owned or controlled sources, decreased to 66.78 tCO2e, while Scope 2 emissions, which encompass indirect emissions from purchased electricity, reduced to 94.70 tCO2e. Furthermore, the percentage distribution of GHG emissions by scope demonstrates a shift towards a more balanced emission profile. The proportion of Scope 1 emissions increased to 41.35% in FY2023, indicating a higher contribution from direct emissions sources. Conversely, the proportion of Scope 2 emissions decreased to 58.65%, reflecting a reduced reliance on purchased electricity. However, the intensity was found to be higher compared to last year, primarily due to a decrease in the turnover value.

Total GHG Emissions

GHG Emissions[1]	Unit	FY2023	FY2022
Total GHG Emission	tCO2e	161.48	505.18
GHG Scope-wise Emissions			
GHG Scope 1	tCO2e	66.78	113.27
GHG Scope 2	tCO2e	94.70	391.91
Percentage (%)			
GHG Scope 1	Proportion	41.35%	22.4%
GHG Scope 2	Proportion	58.65%	77.6%
Intensity			
Total GHG Emission	tCO2e / RMB 1,000,000	16.96	8.37
GHG Scope-wise Intensity			
GHG Scope 1	tCO2e / RMB 1,000,000	7.01	1.88
GHG Scope 2	tCO2e / RMB 1,000,000	9.95	6.49

Energy Management

Energy Management is key to improving efficiency, reducing costs, and operating sustainably while also complying with regulatory requirements. The Group aims to minimise its environmental impact and reduce its energy costs while ensuring the reliable and efficient operation of its facilities. To achieve this, it has implemented a range of initiatives that promote energy efficiency and conservation.

The Group's agribusiness does not use much electricity. As part of its efforts to conserve energy, the Group utilises energy-saving photocopiers and energy-efficient air conditioning units in the office. It also encourages its staff to turn off computers or laptops and lights during lunch breaks and when not in use. It further encourages its personnel to adjust the temperature of the air conditioner seasonally and turn it off when it is not required.

The Group monitors and improves its performance in the Energy Management sector to contribute to its efforts in business sustainability.

There has been a substantial decrease in total fuel consumption from FY2022 to FY2023. The breakdown of fuel consumption by type reveals a shift in proportions. While diesel and petrol consumption have fluctuated, there is a notable decrease in fuel gas consumption, representing a reduction of the total fuel consumption in FY2023.

[1] GHG protocol is used for accounting for GHG emissions. During the accounting of GHG emissions, GHG protocol Guidance and Reporting Standard has been followed. The emission factors used are taken from the GHG Emission factor Hub, World Resource Institute Data Base.

Total Energy Consumption

Fuel Consumption	Unit	FY2023	FY2022
Total Fuel Consumption	Gigajoules	187,808.25	480,174.84
Consumption Type			
Total Consumption			
Diesel	Gigajoules	473.06	816.24
Petrol	Gigajoules	328.06	250.83
Fuel Gas	Gigajoules	186,459.89	477,053.30
Electricity	Gigajoules	547.24	2,054.47
Percentage (%)			
Diesel	Proportion	0.2%	0.2%
Petrol	Proportion	0.2%	0.1%
Fuel Gas	Proportion	99.3%	99.3%
Electricity	Gigajoules	0.3%	0.4%
Intensity			
Total Fuel Consumption	GJ/ RMB 1,000,000	19,725.33	7,952.68
Consumption Type			
Diesel	GJ / RMB 1,000,000	49.69	13.52
Petrol	GJ / RMB 1,000,000	34.46	4.15
Fuel Gas	GJ / RMB 1,000,000	19,583.71	7,900.98
Electricity	GJ / RMB 1,000,000	57.48	34.03

Waste and Hazardous Materials Management

In our dedication to responsible waste management, we carefully monitor and manage the use of materials in our production processes, particularly those that are potentially toxic or hazardous. This includes items such as plant protection pesticide bottles, pruned branches, thinned flowers and fruits, and fertiliser packaging bags.

Recognising the importance of minimising our environmental footprint, we've implemented several proactive actions and measures to prevent waste generation. For instance, the practice of burying pruned branches and the removed flowers and fruits is carried out only at designated locations, ensuring a controlled and safe disposal method. Furthermore, in compliance with government regulations, we are committed to the recycling and responsible disposal of plant protection pesticide bottles.

To address and manage the significant impacts arising from waste generated, we've taken innovative steps towards sustainability. Fertiliser packaging, for example, is earmarked for secondary use, promoting a circular economy approach within our operations.

The recycling of pesticide bottles and the proper management of other garbage and packaging materials in the field are key components of our waste management strategy. Through these measures, we aim to not only comply with regulatory requirements but also to set a standard for environmental stewardship in our industry, ensuring that our sustainability efforts are both effective and impactful.

FY2022 Waste Generation Survey Analysis and Treatment and Recycling Plan

Description	Availability and Methods of Use or Disposal					
	Available to Use			Not Available to Use		
	Unit (KG or Pcs)	Usage	Frequency of Processing	Unit (KG or Pcs)	Usage	Frequency of Processing
Pruned Tree Branches	–	–	–	–	Bury	53 batches
Thinned Flowers and Fruits	–	–	–	–	Bury	34 batches
Plant Protection Pesticide Bottle	–	–	–	9,448 pcs of bottles or packaging bags	Recycle	9 batches
Fertiliser Packaging Bags	920 pcs	Used in flower thinning and fruit thinning, pesticide bottle recycling, etc.	–	–	–	–

The data provided in the table pertains to FY2022. In FY2023, due to the impact of weather and highway land occupation, there were less production activities. As such, the waste generation and recycling data for FY2023 were not monitored. We will monitor the data when production picks up moving forward.

Water Management

In the Water and Effluents section of our sustainability report, we detail our interaction with water resources, emphasising the integral role water plays in our operations. Our water usage primarily involves the withdrawal of groundwater through motorised wells across various villages and towns, which is essential for irrigating our agricultural fields. This process represents the main way water is consumed and indirectly impacts the local water cycle due to the withdrawal from these wells.

To identify water-related impacts, our approach is straightforward yet effective, focusing on the operation of water pumps. These pumps are crucial for water extraction, supporting our agricultural activities. Although our method is basic, it underscores the direct link between our water use and our agricultural practices.

Addressing water-related impacts involves a communal approach; we rent water and utilise village wells for irrigation, promoting the stewardship of water as a shared resource. This practice fosters collaboration with local stakeholders, ensuring the sustainable use of water in our operations. Our engagement with suppliers or customers regarding water-related impacts is inherently low due to the nature of our business.

Regarding effluent discharge, our agricultural activities do not generate wastewater that requires special treatment. The nature of our operations means that there is no wastewater discharge that adversely affects the environment, and thus, no need for sector-specific standards or considerations of the receiving waterbody's profile. This approach reflects our commitment to maintaining a minimal environmental footprint through our water use and management practices.

Water Consumption

Water Consumption	Unit	FY2023	FY2022
Total Water Consumption	Ton (T)	84,361.00	323,410.99
Source Type			
***Consumption*[2]**			
Ground Water	Ton (T)	82,950.00	321,817.00
Third Party Water[3]	Ton (T)	1,411.00	1,593.99
Percentage (%)			
Ground Water	Proportion	98.3%	99.5%
Third Party Water	Proportion	1.7%	0.5%
Intensity			
Total Water Consumption	T / RMB 1,000,000	8,860.36	5,356.35
Source Type			
Ground Water	T / RMB 1,000,000	8,712.16	5,329.95
Third Party Water	T / RMB 1,000,000	148.20	26.40

Ensuring Sustainable Farming

Maintaining Soil Health

The agricultural sector relies heavily on soil as its foundation, and the condition of the soil is a critical determinant of both crop quality and productivity. Adopting enhanced soil management and crop technologies can lead to greater efficiency and productivity in food systems, thereby facilitating a significant reduction in emissions.

To guarantee the quality of its produce, the Group conducts annual testing of soil from its agricultural lands, with a production primary focus on maintaining soil health.

As part of the Group's soil management plan, it practices a set of measures to improve soil activity and fertilisation, which are discussed below.

a) **Guest soil:** Since the soil of this base is on the clay side, sand-filling improvement is appropriately taken when composting.

b) **Mulching:** Twice in spring and autumn, a layer of 3-5 cm of crushed wheat straw, wheat bran or crushed corn straw and other crop straw is mulched around the trees at 1 to 2 metres, which can play the role of salt suppression, water retention and ground temperature levelling. After the straw is tilled and composted, it can be transformed into soil organic matter, releasing nitrogen, phosphorus, potassium, zinc, iron, and other elements, reducing soil bulk, increasing soil porosity, improving soil aeration, and facilitating the growth and development of soil organisms.

c) **Increase the application of organic fertilisers:** Organic fertilisers are comprehensive in nutrients, rich in organic matter, nitrogen, phosphorus, potassium, and trace elements, essential for soil fertilisation, fertiliser retention, tillage, soil capacity, soil biology, etc. The main fertilisers are cow manure, sheep manure and other herbivore manure, green manure, biogas fertiliser and fertilisers certified as organic fertilisers, and all kinds of homemade fertilisers must be rotted before they are allowed to be used.

d) **Balanced fertilisation:** In response to the characteristics of poor soils, such as fertiliser deficiency, poor fertiliser supply capacity, nutrient imbalance and salinity, a balanced application of nitrogen, phosphorus, potassium, and trace element fertilisers combined with the fertiliser absorption pattern of fruit trees can effectively fertilise the soil, save fertiliser, reduce hazards, and improve the quality of fruit.

[2] The amount of groundwater used for agriculture is estimated from owned and leased wells.
(As the base has sufficient groundwater and high soil humidity after the 7.20 flood in Xingyang in 2021, there is no drought, so the number of watering times and dosage from July 2021 to the present is low.)

[3] Water for office use.

e) **Intercropping green manure:** Green manure crops have a high yield and good fertilisation effect, which can not only increase soil organic matter, improve soil physical and chemical properties, keep soil and water but also do fodder and return to the field over the belly. Green manure is easy to cultivate, low cost, and a high-quality fertiliser source. Intercropping green manure is an effective measure to cultivate and make full use of the orchard soil.

Use of Pesticides

The Group is dedicated to promoting sustainable farming practices and minimising the environmental impact of its operations. As part of its commitment towards this goal, the Group have implemented a range of measures to reduce the usage of pesticides in its farming processes.

The Group have also introduced the use of inter-row grass, which is directly turned into green manure, thereby improving the health of the soil, and reducing the dependency on chemical fertilisers. Furthermore, the Group ensures that its organic plots are maintained in accordance with the provisions of GB/T19630, while other plots are managed in accordance with the Good Agricultural Practice quality management manual ("GB/T"), as per the standards laid out in GB/T20014-2013.

The Group gives utmost priority to sustainable agricultural measures in its production process, adhering strictly to the requirements of its production operating procedures. The Group has adopted a range of eco-friendly pest control measures, such as the use of light and colour traps to attract pests and mechanical methods to capture and control them. The Group also undertakes manual weeding to control weeds and prevent their growth.

In cases where its sustainable pest and weed control measures prove inadequate, the Group may use a limited range of pesticides, with strict control over the quantity and variety used. However, the Group ensures that such limited use is only in exceptional circumstances.

The Group recognises the potential negative impacts associated with the use of extremely and highly hazardous pesticides. As part of its commitment to sustainable farming practices, the Group has taken proactive measures to prevent, mitigate, and remediate any such negative impacts.

The Group has achieved organic certification and Good Agricultural Practice ("GAP") certification, which demonstrates its commitment towards reducing its dependency on harmful pesticides. In addition, it has eliminated the use of extremely and high-risk pesticides, thereby ensuring the safety of its farmworkers, consumers, and the environment.

Starting from the overall ecosystem of pests and beneficial organisms, the Group applies integrated control measures to create environmental conditions unfavourable to the occurrence of pests and diseases and favourable to the reproduction of various beneficial organisms to maintain the balance and biodiversity of agroecosystems.

The Group recognise the importance of responsible pest management practices to minimise the negative impacts on the environment and promote crop health. The Group's integrated pest management plan involves a combination of agricultural, physical, biological, and plant source pesticides to control pest infestations.

To prevent and control diseases such as dry rot, anthracnose, and fruit rot, the Group has adopted scientific soil, fertiliser, and water management practices that strengthen trees' ability to resist disease. The Group also has processes to remove and destroy residual branches, leaves, weeds, and diseased fruits in the orchard, and cut off diseased branches and tips during pruning while paying attention to wound protection and timely summer pruning to reduce the humidity of the tree interior.

For the control of insect pests such as aphids, thrips, and peach borer, the Group practices agricultural control measures combined with winter pruning and manual removal and destruction of pests and disease-damaged parts. The Group utilises physical control measures, such as the use of sugar and vinegar solution to trap and kill pests, and frequency vibration type insecticide lamps to lure and kill pests.

The Group has implemented biological control measures, including the release of natural enemies such as red-eyed wasp and predatory mites, and the use of sex attractants to lure and kill male insects. When necessary, the Group uses plant source pesticides in accordance with the provisions of GB/T19630. For grass pests, the Group prevents their growth by planting white clover or selecting available grass species to compete with other weeds along with the implementation of manual or mechanical mowing for serious weed plots.

By adopting an integrated approach to pest management, the Group minimises the use of pesticides and reduce its negative impact on the environment, while promoting the health and safety of the crops.

TCFD Alignment

CMIL is pleased to unveil the implementation of Phase 1 of the TCFD framework. This milestone reflects our dedication to transparency and responsibility in confronting climate-related challenges and possibilities. The adoption of the TCFD framework serves as a roadmap for us to transparently disclose financial information associated with climate impacts, enabling stakeholders to grasp the financial ramifications of climate change on our organisation.

Recommended Disclosures	Company's Response
Governance: Disclose the organisation's governance around climate-related risks and opportunities	
Describe the board's oversight of climate-related risks and opportunities.	The board, inclusive of Board Committees such as audit and risk, receives biannual updates on climate-related matters. They play a crucial role in embedding climate considerations into our strategic evaluation and decision-making processes, covering areas such as strategy formulation, risk management, budgeting, and business planning. Notably, the board of directors serves as the paramount governing body responsible for climate-related policies and strategies. They routinely assess and monitor progress toward climate-related objectives and targets during board meetings. Importantly, there exists no formal internal prioritisation process for climate-related information, the board directly inquiries about the environmental impact of company decisions. Climate-related information primarily reaches the board through these scheduled meetings. The board incorporates this information into strategic and financial planning, ensuring that climate considerations are fundamental to our decision-making framework. Additionally, the board of directors approves the dissemination of climate-related information, subject to the same governance procedures and controls as our financial data.
Describe management's role in assessing and managing climate-related risks and opportunities.	On the managerial front, climate-related issues are addressed monthly, with responsibility delegated to a Senior Executive. This entails managing climate-related risks and providing updates to the board or relevant board committee. While our organisational structures for handling climate-related risks and opportunities are unified, there is presently no segregation of functions pertaining to this domain, reflecting our comprehensive approach to climate governance. Management assumes a crucial role in recognising and managing climate-related risks and opportunities, seamlessly integrating these factors into our strategic planning and operational decision-making processes. They undertake comprehensive assessments to grasp the potential implications for our business, ensuring our readiness to adjust and succeed amidst climate variability.
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	We address the multifaceted dimensions of climate change by examining its impact across short, medium, and long-term horizons. This approach is aligned with the lifespan of our assets and infrastructure, recognising that climate-related challenges often unfold over extended periods. We identify specific climate-related issues relevant to each time frame, evaluating their potential material financial implications. Our process for identifying significant risks and opportunities entails a comprehensive analysis tailored to sectoral and geographical specifics. The transition to a low-carbon economy, known as transition risk, is a pivotal consideration. This risk, varying by geography and sector, shapes our strategic planning. Concurrently, we assess physical risks, such as shifts in weather patterns and extreme weather events, understanding their sectoral and geographical nuances. We acknowledge climate change as a driver of opportunities. Our approach involves reevaluating products and services, supply and value chains, adaptation activities, and investments in research and development (R&D), with a focus on operational strategies, including facility locations.

Recommended Disclosures	Company's Response
	Financial planning is deeply integrated with climate-related considerations. We prioritise risks and opportunities across specific timeframes, recognising their interdependencies and their roles in value creation. This approach encompasses operating costs, revenue projections, capital expenditures, acquisitions, divestments, and access to capital. Where applicable, we incorporate climate-related scenarios into our strategic and financial planning, ensuring a comprehensive, forward-looking business model that remains adaptable to evolving climate realities.
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Our organisation acknowledges the significant influence that climate-related risks and opportunities exert on our business operations, strategic trajectory, and financial strategies. Responding to these challenges and capitalising on associated opportunities are fundamental to our dedication to sustainability and resilience. We are actively integrating climate considerations into our strategic planning and risk management frameworks, guaranteeing the resilience and adaptability of our business model in response to the dynamic environmental context. This commitment ensures the creation of sustainable long-term value for our stakeholders.
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our organisation is dedicated to evaluating and strengthening the resilience of our strategy across various climate-related scenarios, including the pivotal 2°C or lower scenario, to harmonise with worldwide sustainability objectives. We understand the significance of this thorough assessment in protecting our operations and securing enduring prosperity amid shifting climate conditions. Detailed scrutiny and adherence to these scenarios will be seamlessly integrated into our strategy in subsequent phases, underscoring our continual commitment to environmental stewardship and sustainable progress.
Risk Management: Disclose how the organisation identifies, assesses, and manages climate-related risks	
Describe the organisation's processes for identifying and assessing climate-related risks.	Here, we delineate our strategy for identifying and addressing climate-related risks within our organisation. Our risk management process entails a comprehensive examination of both current and emerging risks, encompassing regulatory mandates pertaining to climate change. We differentiate climate-related risks, such as potential transition risks and acute or chronic physical risks, from other risk categories using a robust framework. We employ specific protocols to assess the magnitude and extent of these risks, employing standardised risk terminology consistent with established frameworks. Climate-related financial risks are seamlessly integrated into our overarching risk evaluation, ensuring they receive appropriate consideration alongside other risk factors. Decision-making regarding the management of climate-related risks follows a multi-layered approach. Oversight of this process is entrusted to designated organisational entities, guaranteeing that decisions regarding risk mitigation, transfer, acceptance, or control are executed efficiently. The materiality of climate risks is determined through a structured procedure, addressing all relevant categories, including transition and physical risks. We have established internal controls to manage these risks, with processes for handling climate-related risks fully integrated into our broader risk management framework. This integration ensures consistency and efficacy, with climate-related information subjected to the same rigorous internal controls and assurance as traditional financial risks. This holistic approach underscores our commitment to responsible risk management in addressing the challenges posed by climate change.
Describe the organisation's processes for managing climate-related risks.	We are dedicated to crafting and enacting procedures for effectively managing climate-related risks, recognising their importance within our operational and strategic frameworks. Currently, we are in the process of developing detailed strategies and protocols, which will be finalised and disclosed in future stages of our sustainability reporting. This approach guarantees that our actions are deliberate, thorough, and in line with leading practices in climate risk management.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	We are currently incorporating the identification, evaluation, and handling of climate-related risks into our broader risk management structure. This encompasses a thorough methodology to guarantee that climate factors are intricately woven into our strategic deliberations and operational choices. Our intention is to fully adhere to these procedures as we progress through our sustainability endeavours, bolstering our capacity to effectively address climate-related hurdles.

Recommended Disclosures	Company's Response
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	We are currently in the process of developing metrics to assess both the risks and opportunities associated with climate change, aligning them with our strategic and risk management frameworks. These metrics are integral for us to navigate the intricate landscape of climate change with precision. We anticipate adhering to and disclosing these metrics in subsequent phases of our sustainability initiative, thereby ensuring transparency and accountability in our endeavours related to climate action.
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.	During the reporting period, our organisation's greenhouse gas ("GHG") emissions are divided into Scope 1, totalling 66.04 tons of CO2 equivalent ("tCO2e"), and Scope 2, amounting to 94.70 tCO2e. These statistics underscore our emissions, illuminating the environmental risks linked to our operational endeavours. We are dedicated to tackling these impacts through focused reduction strategies and sustainable initiatives aimed at mitigating our carbon footprint.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	We are currently in the process of establishing precise targets to proficiently address both climate-related risks and opportunities. Our objective is to synchronise our operations with the highest standards of sustainability and environmental stewardship. These targets will function as benchmarks against which we can gauge our efficacy in mitigating the impacts of climate change and capitalising on associated opportunities. Our intention is to outline our strategy and adherence to these objectives in subsequent stages, guaranteeing transparent communication of our progress and accomplishments.

Social Sustainability

Employee Care

At CMIL, we prioritise our employees' well-being and growth. We foster a stimulating and supportive work environment where individuals can excel. We offer equal opportunities for personal and professional development, promoting both employee retention and attracting new talent.

A Culture of Care and Respect

We are committed to the overall well-being of our workforce. We cultivate a diverse, equitable, and respectful workplace that prioritises health and safety. We champion employee rights, well-being, and career advancement.

Strong Legal Foundation

As part of our dedication to fair employment practices, we strictly adhere to all applicable Labor Law of the People's Republic of China, the Labor and Employment Promotion Law of the People's Republic of China, and the Labor Contract Law of the People's Republic of China.

Open Communication

We believe in open communication and value our employees' ideas and suggestions. We encourage them to contribute to continuous improvement within the company. This revision uses simpler and more active language, making it easier to read and understand. It also emphasises the positive aspects of working for the Group and streamlines the legalese about adhering to labor laws.

Employee Diversity and Equal Opportunity

The Group supports diversity in the workplace and takes measures to make sure that all its employees, regardless of their gender, ethnicity or nationality, sexual orientation, race, age, or religion, feel embraced. In addition to giving all employees an equal chance to succeed, the Group strives to establish a workplace that is devoid of discrimination against any person for any reason. The Group's goal is to maintain, if not increase, the present diversity of the male-to-female ratio within the Group. This is maintained by making sure that all its employees are evaluated based on their skills and merits.

Board Diversity

Diversity Category	Number of Individuals	% of Individuals
Gender		
Male	4	80.0%
Female	1	20.0%
Age Group		
Under 30 years old	1	20.0%
30 to 50 years old	2	40.0%
Over 50 years old	2	40.0%
Total Employees	**5**	**100%**

Employee Diversity

		Employee Bifurcation					
		Senior Management		Managers		Non-Managers	
Diversity Category	Total Employees	Number of Individuals	%	Number of Individuals	%	Number of Individuals	%
Gender							
Male	13	4	100.0%	1	50.0%	8	47.1%
Female	10	–	–	1	50.0%	9	52.9%
Age Group							
Under 30 years old	2	–	–	–	–	–	–
30 to 50 years old	18	3	75.0%	2	100.0%	14	82.4%
Over 50 years old	5	1	25.0%	–	–	3	17.6%
Total	**23**	**4**	**100.0%**	**2**	**100.0%**	**17**	**100.0%**

Demographics and Associations Status

S/N	Particulars	Number of Individuals FY2023	Number of Individuals FY2022
1	**Geography of Employee**		
1.1	Local Employee	25	45
1.2	Foreign Employee	3	–
2	**Employee Associated with Union**		
2.1	Union Member	–	–
2.2	Non-Union Member	28	45
3	**Employees with Collective Bargaining**		
3.1	Collective Bargaining	–	–
3.2	Not Collective Bargaining	28	45

Employment and Retention of Employees

In our commitment to fair and equitable treatment for all employees, including those not covered by collective bargaining agreements, our organisation takes a considered approach to determining working conditions and terms of employment. Specifically, for these employees, the organisation bases their employment terms on established employee labor contracts and cooperative agreements.

This approach ensures that even in the absence of direct collective bargaining coverage, the principles and standards set forth in agreements covering other employees within our organisation, as well as best practices from collective bargaining agreements from other organisations, inform our employment practices.

This method reflects our dedication to maintaining a fair, transparent, and consistent workplace environment, underscoring our belief in the value of all employees and our commitment to sustainability in human resources management.

New Hires

New Hires	FY2023 Number of Individuals	FY2023 Percentage (%)	FY2022 Number of Individuals	FY2022 Percentage (%)
Gender				
Male	4	66.7%	11	68.7%
Female	2	33.3%	5	31.3%
Age Group				
Under 30 years old	–	–	6	37.5%
30 to 50 years old	3	50.0%	7	43.8%
Over 50 years old	3	50.0%	3	18.7%
Total New Hire				
Total New Hire	6	100.0%	15	100.0%

Resignations

Resigned	FY2023 Number of Individuals	FY2023 Turnover Rate[4]	FY2022 Number of Individuals	FY2022 Turnover Rate4
Gender				
Male	15	81.1%	26	79.4%
Female	8	61.5%	7	41.2%
Age Group Wise Turnover				
Under 30 years old	5	111.1%	4	66.7%
30 to 50 years old	15	62.5%	20	54.8%
Over 50 years old	3	75.0%	9	150.0%
Total Resigned and Turnover	**23**	73.0%	**33**	68.0%

Training and Development

The Group places a significant emphasis on training its employees as well as directors to equip them with the appropriate technical abilities and knowledge and boost their performance and efficiency.

All Directors of the Group are required to attend Sustainability Reporting courses. All directors had completed their sustainability courses.

[4] Employee turnover is calculated by dividing the total resignation in the category by average employee count in the category.

All new employees are given a 3-day probationary training period, occasional training by directors, and occasional internal training by the staff. The Group encourages its workforce to involve in learning experiences that fit their unique skills, roles, and goals. It provides group lectures, live demonstrations, and one-on-one instructions to upskill its employees as per the business requirements. The Group further attempts to engage its employees in on-site training sessions and numerous relevant seminars throughout the year to ensure their continuous professional development.

Employee Health and Safety

Our organisation is deeply committed to the well-being of our employees, ensuring a safe and healthy working environment as mandated by the Labor Law of the People's Republic of China. We have established and diligently implement an Occupational Health & Safety Management System ("OHSMS") to educate our staff on occupational safety and health, aiming to prevent work-related injuries and minimise occupational hazards. Our approach to training is thorough and systematic, targeting both new and existing employees, including recruited agricultural workers and those temporarily employed. The training, delivered by experienced production technical professionals, covers essential topics such as standard operating procedures, safe working practices, and the correct usage of machinery and equipment.

We hold these training sessions regularly, once a month, to ensure that all staff remain informed and proficient in maintaining workplace safety. Importantly, this training is provided free of charge during paid working hours, emphasising its importance to both the employer and employee without imposing any financial burden on our workforce. The effectiveness of our training program is rigorously assessed through post-training evaluations conducted by production technicians, with employment contingent upon successful completion.

Furthermore, in our commitment to mitigating significant negative occupational health and safety impacts linked to our operations, products, or services, we extend comprehensive social insurance and provide accident insurance to both employees and non-employee workers. This holistic approach underscores our dedication to maintaining a safe, healthy, and productive work environment, aligning with our broader sustainability objectives. During FY2023 and FY2022, we are proud to report that there were no serious or fatal incidents at our workplaces, reflecting our ongoing commitment to achieving zero serious or fatal accidents.

Non-Discrimination in the Workplace

The Group is committed to creating a diverse and inclusive workplace that values and respects individuals from all backgrounds. The Group believes that promoting non-discrimination in the workplace is not only the right but also contributes to a more productive and innovative work environment.

The Group strives to ensure that the hiring, promotion, and compensation practices are fair and equitable and that all employees are treated with dignity and respect. It also provides training and education to all employees on the importance of diversity and inclusion in the workplace. By fostering a culture of non-discrimination, the Group can attract and retain top talent, promote employee engagement and satisfaction, and better serve its customers and stakeholders.

There were no reported instances of discrimination within the Group during FY2023 and FY2022.

Child Labour and Forced Labour

During the current year, we are proud to affirm our unwavering commitment to ethical labor practices, ensuring the absence of child labor and forced labor within all facets of our operations. This stance reflects our dedication to upholding the highest standards of human rights and labor practices. We rigorously enforce strict policies and conduct regular audits to monitor compliance, ensuring our workforce is employed under fair, voluntary conditions and that all employment practices are in strict adherence to national and international labor laws. Our efforts underscore our belief in dignity, respect, and fairness for every individual in our workforce, emphasising our role as a responsible and ethical business entity. We continue to foster a work environment that is safe, inclusive, and respectful, reinforcing our commitment to not just meet, but exceed, ethical labour standards.

Customer Satisfaction

Customer retention is essential to the Group's long-term viability and a vital factor in sales expansion. The Group's dedication to providing exceptional customer experiences and building long-term relationships with its clients is central to its business philosophy.

The Group has adopted several initiatives to raise customer satisfaction and maintain customers for the long run. This entails concentrating on product quality, providing exceptional customer service, and making ongoing improvements to remain ahead of customer needs and expectations.

As a business, the Group recognises that satisfied and loyal clients are essential to its success and viability. As a result, the Group has made customer retention a priority and strives to keep funding programmes that enable it to establish and uphold solid, enduring bonds with its customers.

During FY2023 and FY2022, no cases of customer complaints were reported within the Group.

Product Quality and Safety

In line with sustainable agriculture practices, the Group takes great care to ensure that the soft seed pomegranates it grows, and sells are of premium quality or the highest quality possible, and the cultivation operation process is implemented in strict compliance with organic product certification, good agricultural practice certification standards and specifications.

In addition to its association with the Chinese Society for Horticultural Science Pomegranate Branch; China Green Food Expo; China International Modern Agricultural Exhibition; Standardisation Administration of the P.R.C.; Henan Women's Federation; Culture and Tourism Department of Henan Province; Henan Green Food Development Centre, the Group continuously works towards maintaining its service of providing top-notch and premium quality products to its customers. Additionally, we have received zero incidents of non-compliance regarding the health and safety impacts of our products and services.

Corporate Social Responsibility

The Group's primary emphasis on Corporate Social Responsibility ("CSR") centres on local farmers. The company utilises its workforce primarily for park management and pomegranate-based activities. The Group endeavours to enhance the quality of life for farmers and their families by elevating their average monthly income, while concurrently imparting technical training and skills upgrading programs to its employees.

The Group has established long-term agreements with agricultural students, underscoring its commitment to promoting agricultural development. In recent years, the Group has been the recipient of numerous accolades in recognition of its sustained and impactful CSR initiatives.

Governance

Governance Structure

Our company's governance structure is meticulously designed to uphold the highest standards of integrity and accountability, ensuring that all decisions are made in the best interests of the company and its stakeholders. At the core of this structure is our Board of Directors, whose members act as fiduciaries, prioritising the company's long-term value and holding management accountable for its performance. The Board sets a robust ethical tone, fostering an organisational culture that emphasises a strong code of conduct and ethics. This culture is pivotal in ensuring transparency, responsibility, and accountability throughout our group.

The primary responsibility of our Board of Directors is to safeguard and augment the long-term value for our shareholders. This involves overseeing the company's overall corporate governance, including strategic planning, goal setting for management, and monitoring these goals to enhance shareholder value. Furthermore, the Board establishes a prudent and effective control framework, enabling the assessment and management of risks, thereby protecting shareholders' interests and the company's assets.

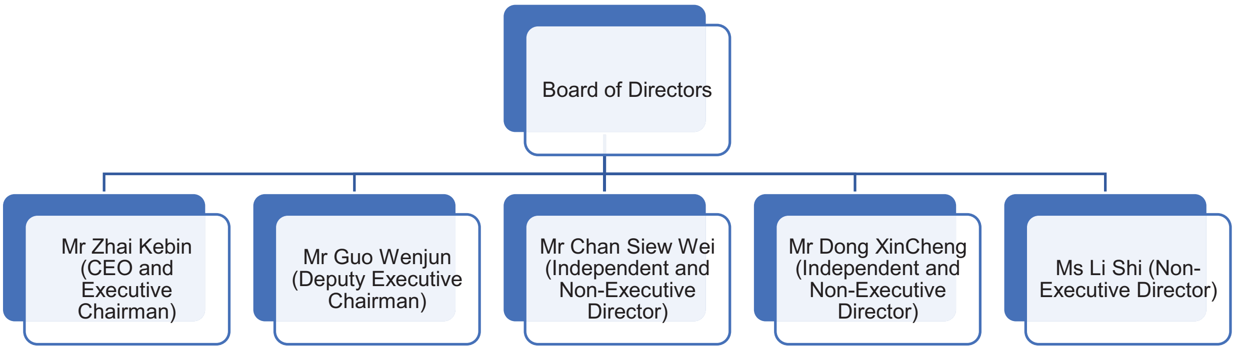
Sustainability is integral to our governance structure, with the Board taking full responsibility for integrating sustainability considerations into the company's strategic direction. This includes reviewing the sustainability agenda, formulating strategies, assessing materiality, monitoring action plans, and overseeing the execution and performance of sustainability initiatives. Through this comprehensive approach, our Board ensures that sustainability is woven into the fabric of our operations, aligning with our commitment to create long-lasting value for all stakeholders.

Our Board and Board Committees

Our organisation is committed to fostering a robust governance structure that meticulously oversees and guides our impacts on the economy, environment, and society. To this end, the Board has instituted several key committees, each with distinct responsibilities that collectively ensure our governance framework is comprehensive and effective. You may refer to the corporate governance section of annual report for more information on the board and board committees.

Board Diversity

The Board of Directors consists of:



Our Board of Directors demonstrates our commitment to diversity, with a composition that includes one female director out of five members, resulting in a 20% female representation. Similarly, from the total board of directors 40% directors are independent directors. This reflects our dedication to fostering gender diversity at the highest levels of our organisation. We believe that a diverse board enriches discussions, enhances decision-making, and brings a variety of perspectives that are crucial for addressing complex challenges and driving sustainable growth. Our commitment to enhancing board diversity remains a key focus as we continue to evolve and adapt in an ever-changing business landscape.

Nomination and Selection of the Highest Governance Body

The Company has established a clear policy and procedure for the appointment of new Directors to the Board, ensuring the process for Board appointments and re-nominations is conducted with transparency.

Upon the resignation or retirement of a Director, the Nominating Committee ("NC") reassesses the Board's composition to determine the necessity of a replacement, considering the required competencies. The NC thoroughly evaluates and recommends candidates based on their background, skills, qualifications, and experience, aiming to enhance or complement the existing Board's skill set.

Factors considered include the candidate's potential contribution to the Group's business, the relevance of their experience, and the new perspectives they could offer for Board discussions. Candidates are identified through a broad network including the Singapore Institute of Directors, professional organisations, business federations, or via external search consultants, and appointed through a Board resolution following the NC's recommendation.

The independence of Independent Directors is reviewed annually, with each Director providing a declaration of independence assessed by the NC. Independent Directors are excluded from discussions regarding their own independence to ensure impartiality, confirming there are no ties with the Company or related entities that could compromise their independent judgment.

The Company upholds a Board Diversity Policy, advocating for a balanced composition of skills, knowledge, experience, and diverse perspectives for effective decision-making and governance.

The NC, after reviewing the Board's composition, finds it well-comprised of individuals with substantial experience, providing a range of core competencies in accounting, finance, and business management. Given the Group's operations scale and business needs, the Board is considered appropriately sized and diverse, possessing the essential competencies for its effective functioning and decision-making.

The NC conducts an annual review of the Board's composition, acknowledging the importance of gender diversity, with the Board currently including one female Director.

Corporate Governance and Business Ethics

Our Board of Directors is dedicated to overseeing the Company's operations in a manner that is not only lawful but also ethically responsible, mirroring the core values of our organisation. We have a zero-tolerance policy towards any form of unlawful or unethical behaviour and are committed to taking decisive actions to ensure adherence to legal standards and protection of all stakeholder interests. To facilitate this, we have established robust whistleblowing procedures. These procedures are designed for the efficient reporting and handling of complaints or concerns related to the conduct of employees, officers, or management, particularly concerning ethical violations and breaches of law. Such communications can be directly made to the Chairman of the Audit Committee, either through email or phone, ensuring confidentiality and direct oversight by our governance body. It is noteworthy that in the fiscal year 2023, our group did not receive any complaints, concerns, or issues via our whistleblowing channels, attesting to our collective commitment to integrity and ethical business practices.

Enhancing Board Competency in Sustainability

To ensure our Board of Directors remains at the forefront of sustainable development and governance, we have implemented a comprehensive approach to enhance their collective knowledge, skills, and experience in this critical area. A key component of this strategy is the mandatory participation of all Directors in sustainability reporting courses. This initiative is designed to equip our Board members with the latest insights and practices in sustainability, enabling them to integrate these principles more effectively into our strategic planning and decision-making processes. In FY2023, this commitment to continuous learning was further exemplified by our two newly appointed Directors, who successfully completed their sustainability courses promptly after their appointment. This ongoing education ensures our governance body is well-prepared to lead our organisation towards a more sustainable and resilient future.

Remuneration Policies

Our approach to remuneration is comprehensive and governed with a keen sense of accountability and fairness, overseen by the Remuneration Committee ("RC"). The RC meticulously covers all aspects of compensation, including directors' fees, salaries, allowances, bonuses, and benefits-in-kind, ensuring each package aligns with our values and standards. Importantly, to maintain impartiality, RC members abstain from decisions regarding their own remuneration, with their recommendations subsequently endorsed by the Board.

The RC also scrutinises the company's commitments regarding the termination of service for Executive Directors and key Management personnel, ensuring employment contracts are fair, equitable, and devoid of excessively burdensome or generous terms. Our group lacks provisions for recouping incentive pay from Executive Directors and key Management, highlighting our trust and confidence in their leadership.

Remuneration packages are crafted with careful consideration of the current economic climate, industry standards, and comparative company conditions. Executive Directors, bound by service contracts, receive a base salary and, along with key Management, are eligible for variable bonuses determined by both the Group's overall performance and their individual contributions.

This structure aims to closely align compensation with corporate and personal achievements, adhering to our risk policies and the long-term interests of our shareholders. It underscores our commitment to rewarding leadership that drives our Group's success. Regular reviews by the RC and the Board ensure that our remuneration practices remain effective, fair, and aligned with our strategic goals.

Whistle-Blowing Policy

The Group has developed a whistleblowing policy to highlight any misconduct and misbehaviour of its employees to maintain high ethical standards of accountability, reliability, and integrity for its stakeholders.

The Board has established a mechanism for whistle-blowers, which enables them to report any concerns or complaints related to ethical and illegal conduct or matters related to the integrity of the organisation. These procedures can be accessed by employees, officers, or members of management via email or phone, with a direct link to the Chairperson of the Audit Committee ("AC").

The AC will investigate whistleblowing-related issues and, if any, discuss them with the Board at least four times per year. During FY2023 and FY2022, the Group did not receive any complaints, concerns, or issues regarding whistleblowing.

Compliance with Laws and Regulations

The Group undertakes regular monitoring of regulatory updates to ensure that it stays abreast of any changes and remains compliant with the local laws, standards, and requirements that are issued by the relevant local authorities.

The Group's Company Secretary advises the Board on the most recent developments in legal and regulatory problems, particularly the Code. The Group's Cayman Islands Counsel provides the Board with the most recent update on Cayman Islands Company Law to ensure the timely submission of the relevant annual filings.

During FY2023 and FY2022, no violations of compliance were reported. The Group will continue to collaborate with different professional firms to strengthen its internal corporate governance framework. The Board's goal is to maintain a perfect record with regard to fines.

Anti-Corruption and Bribery

The Board upholds rigorous ethical standards in its business practices by promoting and enforcing anti-corruption and anti-bribery policies throughout the Group. All employees are made aware of the severe consequences of any breaches of these policies. The Board is required to disclose any potential conflicts of interest on an annual basis. Additionally, the Group utilises whistle-blower boxes and internal audit to further prevent and detect incidents of corruption.

During FY2023 and FY2022, there were no reported incidents of corruption or legal proceedings related to bribery within the Group. The Group remains committed to educating and raising awareness of these issues among its employees. The Board targets to maintain zero reports on corruption and bribery.

Future Outlook

During FY2023, the Chinese government has taken back part of the Group's leased farmland for highway construction and had caused considerable disruptions to the operations of the pomegranate cultivation and harvesting.

The Group will endeavour our best efforts to set realistic targets once the pomegranate cultivation and harvesting had stabilised.

The Group holds the belief that sustainability is an integral part of the culture at the Group and is committed to conducting its business in an ethical and environmentally responsible manner.

The Board of Directors have been supporters of the Group's sustainability journey, and their guidance shall help the Group overcome any future challenge that they may face. The Group understands that sustainable business practices are critical for its long-term success and the well-being of its stakeholders. As such, the Group is committed to continuous improvement and progress in this area.

Moving forward, the Group remains dedicated to working with the Board and other partners to further advance sustainability. The Group is committed to regularly reporting its progress towards its sustainability goals through its annual Sustainability Report, which will provide its stakeholders with insight into the Group's achievements and plans.

GRI Content Index

GRI Reference		Disclosure	Reference
General Standard Disclosure			
The Organisation and Its Reporting Practices	2-1	Organisational details	About the Company
	2-2	Entities included in the organisation's sustainability reporting	Reporting Scope and Boundary
	2-2	Entities included in the organisation's financial reporting	Group Structure-AR
	2-3	Reporting period, frequency and contact point	About the Report, Reporting Scope and Boundary
	2-5	External assurance	Assurance of the Report
Activities and Workers	2-6	Activities, value chain and other business relationships	Our Value Chain
	2-7	Employees	Employee Diversity and Equal Opportunity
Governance	2-9	Governance structure and composition	Board Diversity
	2-10	Nomination and selection of the highest governance body	Nomination and Selection of the Highest Governance Body
	2-11	Chair of the highest governance body	Corporate Governance Report
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report
	2-13	Delegation of responsibility for managing impacts	Corporate Governance Report
	2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Report
	2-15	Conflicts of interest	Corporate Governance Report
	2-16	Communication of critical concerns	Corporate Governance Report
	2-17	Collective knowledge of the highest governance body	Corporate Governance Report
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report
	2-19	Remuneration policies	Corporate Governance Report
	2-20	Process to determine remuneration	Corporate Governance Report
	2-21	Annual total compensation ratio	Corporate Governance Report

GRI Reference		Disclosure	Reference
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	Board Statement
	2-25	Processes to remediate negative impacts	Corporate Governance and Business Ethics
	2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance and Business Ethics
	2-27	Compliance with laws and regulations	Compliance with Laws and Regulations
	2-28	Membership associations	Our Associations
Stakeholder Engagement	2-29	Approach to stakeholder engagement	Stakeholder Engagement
	2-30	Collective bargaining agreements	Employee Diversity and Equal Opportunity
Disclosures on Material Topics	3-1	Process to determine material topics	Materiality assessment
	3-2	List of material topics	Materiality assessment
	3-3	Management of material topics	Materiality assessment
Economic			
Anti- Corruption	205-1	Operations assessed for risks related to corruption	Anti-Corruption and Bribery
	205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption and Bribery
	205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption and Bribery
Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	Non-Discrimination in the Workplace
Environment			
Energy	302-1	Energy consumption within the organisation	Energy Management
	302-3	Energy intensity	Energy Management
Water	303-1	Interaction with water as a shared resource	Water Management
	303-3	Water withdrawal	Water Management
	303-5	Water consumption	Water Management
Emissions	305-1	Direct (Scope 1) GHG emissions	Reduction of carbon emissions
	305-2	Energy indirect (Scope 2) GHG emissions	Reduction of carbon emissions
	305-4	GHG emissions intensity	Reduction of carbon emissions
Soil	13.5	Soil Health	Maintaining Soil Health
Pesticides	13.6	Pesticides Use	Use of Pesticides

GRI Reference		Disclosure	Reference
Social			
Employment	401-1	New employee hires and employee turnover	Employee Diversity and Equal Opportunity
Occupational Health and Safety	403-1	Occupational health and safety management system	Employee Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Employee Health and Safety
	403-9	Work-related injuries	Employee Health and Safety
	403-10	Work-related ill health	Employee Health and Safety
Training and Education	404-1	Average hours of training per year per employee	Training and Development
	404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Training and Development
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Board Diversity
Customer Health and Safety	416-1	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality and Safety

The directors present their statement to the members together with the audited financial statements of China Mining International Limited (the "Company") and subsidiaries (the "Group") for the financial year ended 31 December 2023 and the statement of financial position and the statement of changes in equity of the Company as at 31 December 2023.

In the opinion of the directors,

(a) the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 62 to 142 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended; and

(b) at the date of this statement, with continuing financial support from a controlling shareholder and based on other factors as described in Note 2.2, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors of the Company in office at the date of this statement are as follows:

Zhai Kebin	Chairman and Chief Executive Officer
Guo Wenjun	Deputy Chairman and Executive Director
Chan Siew Wei	Independent Director
Dong Xincheng	Independent Director (Appointed on 1 September 2023)
Li Shi	Non-Independent Director and Non-Executive Director (Appointed on 20 July 2023)

Directors' interests in shares or debentures

According to the register kept by the Company, none of the directors and chief executive director holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Direct interests		Deemed interests	
	At 1 January 2023 or date of appointment, if later	At 31 December 2023	At 1 January 2023 or date of appointment, if later	At 31 December 2023
Company				
Ordinary shares of S$0.008 each				
Zhai Kebin[(i)]	8,750,000	8,750,000	-	-
Li Shi	525,012	525,012	204,500[(ii)]	204,500

Directors' interests in shares or debentures (Continued)

Notes:

(i) The shares of Mr Zhai Kebin are registered in the name of UOB Kay Hian Holdings Limited.

(ii) Ms Li Shi is deemed to be interested in the 204,500 ordinary shares held by her spouse, Mr Li Yi. These 204,500 shares are registered in the name of Tiger Brokers (Singapore) Pte. Ltd. held for Mr Li Yi.

The Directors' interests in the ordinary shares of the Company and its related corporation at 21 January 2024 were the same as at 31 December 2023.

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Share options

During the financial year, no options to take up unissued shares of the Company or any subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries. There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

Audit committee

The members of the Audit Committee as at date of this statement are as follows:

Chan Siew Wei (Chairman)	Independent Director
Dong Xincheng	Independent Director (Appointed on 1 September 2023)
Li Shi	Non-Independent Director and Non-Executive Director (Appointed on 20 July 2023)

The Audit Committee carried out its functions in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- the audit plan of the Company's independent auditors and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditors;
- the periodic results announcements prior to their submission to the Board for approval;
- the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 prior to their submission to the Board of Directors, as well as the independent auditor's report on the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

Audit committee (Continued)

The Audit Committee has recommended to the Board of Directors that the independent auditors, Crowe Horwath First Trust LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The Audit Committee has conducted an annual review of non-audit services provided by the auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors before confirming their re-nomination.

In appointing the external auditors for the Company and its subsidiaries, the Company has complied with Rules 712, 715 and 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Further details regarding the Audit Committee are disclosed in the Report of Corporate Governance.

Independent auditors

The independent auditors, Crowe Horwath First Trust LLP, have expressed their willingness to accept re-appointment as auditors of the Company.

On behalf of the Board of Directors

ZHAI KEBIN
Chairman and Chief Executive Officer

GUO WENJUN
Deputy Chairman and Executive Director

10 June 2024

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of China Mining International Limited (the "Company") and its subsidiaries (the "Group"), set out on pages 62 to 142, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying financial statements of the Group and the statement of financial position and statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(1) Use of going concern assumption

As disclosed in Note 2.2 to the financial statements, the Group reported a significant net loss of RMB 84,532,000 and negative operating cash flows of RMB 2,870,000 for the financial year ended 31 December 2023. As at 31 December 2023, the Group and the Company had net current liabilities of RMB 22,532,000 and RMB 120,372,000 respectively. The Group's cash and cash equivalents amounted to RMB 7,353,000, while its current liabilities stood at RMB 43,648,000 (inclusive of external term loans payable of RMB 26,291,000 due within the next 12 months). These conditions indicate the existence of multiple material uncertainties which may cast significant doubts on the abilities of the Group and the Company to continue as going concerns.

Notwithstanding the above, the Board of Directors and management have prepared the financial statements on a going concern basis, relying on the assumptions as disclosed in Note 2.2 to the financial statements, including, the expected receipt of proceeds from the disposal of the Group's indirect interest (effective interest of 16.06%) in the mining rights to the iron ore in South Africa (see Note 12) and the continued financial support from a controlling shareholder, Mr. Guo Ying Hui, which will enable the Group to operate as a going concern and to meet its obligations as and when they fall due. Such financial support includes not recalling the balances owed to Mr Guo's controlled entities within the next 12 months unless the Group has sufficient funds, and providing advances to the Group as needed. Management is also confident in renewing a bank loan of RMB 10,000,000 due on 21 June 2024 and obtaining a 3-year loan extension from a government agency for a loan of RMB 10,000,000, which had matured in April 2022.

Basis for Disclaimer of Opinion (Continued)

(1) Use of going concern assumption (Continued)

As at the date of this report, we have been unable to obtain sufficient appropriate audit evidence regarding:

(a) the realisability of the Group's indirect interest in the mining rights to the iron ore in South Africa, which is contingent upon the successful completion of the disposal transaction and the subsequent recovery of proceeds.

(b) the Group's ability to successfully renew loans from the bank and government agency, as described in Note 2.2 to the financial statements.

(c) Mr. Guo Ying Hui's financial ability to provide financial support to the Group to enable the Group to operate as a going concern and to meet its obligations as and when they fall due.

In view of the foregoing, we were unable to satisfy ourselves as to the appropriateness of the going concern basis of accounting used in the preparation of these financial statements.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities, where applicable, as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

(2) Expected credit losses on trade and other receivables, and prepayments

As at 31 December 2023, the Group and the Company has significant credit risk exposure in respect of the following items:

(a) Trade receivables: As disclosed in Note 15 to the financial statements, the Group had outstanding net trade receivables from a major customer of RMB 1,213,000, stated after an allowance of Expected Credit Losses ("ECL") of RMB 305,000 (including an amount of RMB 61,000 reversed in profit or loss during the financial year). The carrying amount includes a brought-forward balance of RMB 423,000.

(b) Prepayments: During the financial year, as disclosed in Note 35, the Group discontinued its operation of trading of goods via online platform in April 2023. Included in the carrying amounts of prepayments of the Group are net balances owing from four suppliers of trading goods representing advance payments for purchases that the Group is currently seeking the refund in cash, totalling RMB 1,371,000, stated after an ECL allowance of RMB 2,495,000 recognised during the current financial year.

Basis for Disclaimer of Opinion (Continued)

(2) Expected credit losses on trade and other receivables, and prepayments (Continued)

(c) Other (non-trade) receivables: Included in other receivables of the Group and the Company is a net amount of RMB 956,000 owed by a third party, stated after an ECL allowance of RMB 106,000 recognised during the current financial year. This amount has been contractually overdue since October 2023.

The Group has not been able to recover the above-mentioned amounts since the respective due dates up to the date of this report. Management has made the above ECL allowance based on their best estimates taking into account the ageing of the debts. However, due to limited information, there is insufficient evidence to substantiate the ability of these third parties to repay their obligations. Consequently, we were unable to conclude on the adequacy and appropriateness of the ECL recognised as at 31 December 2023 totalling RMB 2,906,000 and the amount recognised in profit or loss for the current financial year amounting to RMB 2,540,000 (inclusive of an amount of RMB 2,495,000 presented within "Loss from discontinued operations"), including the relevant disclosures and whether any adjustments were necessary for the carrying amounts of trade receivables, and other receivables, deposit and prepayments as at 31 December 2023.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of International Financial Reporting Standards (IFRSs), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing ("ISAs") and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we had fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

The engagement partner on the audit resulting in this independent auditor's report is Lee Yan Huei.

Crowe Horwath First Trust LLP
Public Accountants and
Chartered Accountants
Singapore

10 June 2024

Statements of Financial Position

As at 31 December 2023
(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

	Note	Group		Company	
		2023	2022	2023	2022
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	23,676	29,161	5	1
Bearer plants	7	55,430	124,341	-	-
Right-of-use assets	8	34,580	56,021	-	-
Land use rights	9	36	38	-	-
Intangible assets	10	529	647	-	-
Subsidiaries	11	-	-	151,112	153,912
Financial assets, at FVOCI	12	49,225	56,767	49,225	56,767
Deferred tax assets	23	-	-	-	-
		163,476	266,975	200,342	210,680
Current assets					
Financial assets, at FVPL – structured deposits	13	-	-	-	-
Inventories	14	411	4,119	-	-
Trade receivables	15	1,466	5,163	-	-
Other receivables, deposits and prepayments	16	11,817	13,886	1,103	209
Amounts due from related parties (non-trade)	17	-	11,662	-	-
Amounts due from subsidiary (non-trade)	18	-	-	-	41
Pledged bank deposits	19, 37(i)	69	119	-	-
Cash and cash equivalents	20	7,353	15,095	786	728
		21,116	50,044	1,889	978
TOTAL ASSETS		184,592	317,019	202,231	211,658
LIABILITIES					
Non-current liabilities					
Borrowings	22	36,994	54,564	-	-
Amounts due to related parties (non-trade)	17	3,354	11,110	-	-
		40,348	65,674	-	-

The accompanying notes are an integral part of the financial statements.

As at 31 December 2023
(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

	Note	Group		Company	
		2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
LIABILITIES					
Current liabilities					
Trade payables		3,257	6,945	-	-
Accruals and other payables	21	8,501	12,958	1,152	1,012
Amounts due to subsidiaries (non-trade)	18	-	-	121,109	117,006
Borrowings	22	29,070	36,319	-	-
Income tax payable		2,820	2,453	-	-
		43,648	58,675	122,261	118,018
TOTAL LIABILITIES		83,996	124,349	122,261	118,018
NET ASSETS		100,596	192,670	79,970	93,640
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Issued capital	24	15,806	15,806	15,806	15,806
Share premium	25	271,358	271,358	271,358	271,358
Treasury shares	26	(18)	(18)	(18)	(18)
Distributable reserve	27(a)	267,600	267,600	267,600	267,600
Capital reserve	27(b)	49,031	49,031	-	-
Fair value deficit	28	(21,206)	(13,664)	(21,206)	(13,664)
Statutory reserve	27(c)	312	312	-	-
Accumulated losses		(498,171)	(442,869)	(453,570)	(447,442)
		84,712	147,556	79,970	93,640
Non-controlling interests	11(b)	15,884	45,114	-	-
TOTAL EQUITY		100,596	192,670	79,970	93,640

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Profit or Loss And other Comprehensive Income

For the financial year ended 31 December 2023
(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

	Note	2023 RMB'000	2022 RMB'000 (Re-presented)*
Continuing operations			
Revenue	29(a)	8,492	34,491
Cost of sales		(16,822)	(23,762)
Gross (loss) / profit		(8,330)	10,729
Selling and distribution expenses		(1,491)	(2,095)
General and administrative expenses		(14,603)	(16,198)
Impairment loss on financial assets	3(ii), 16	(973)	(1,008)
Reversal of impairment loss on financial assets	3(ii)	522	57
Other income	30	20,488	3,307
Other expenses	31	(74,706)	(645)
Finance income	32(a)	98	16
Finance expense	32(b)	(2,200)	(2,119)
Loss before tax	33	(81,195)	(7,956)
Tax (expense) / credit	34	(299)	507
Loss from continuing operations		(81,494)	(7,449)
Discontinued operations			
Loss from discontinued operations, net of tax	35	(3,038)	(130)
Loss for the year		(84,532)	(7,579)
Other comprehensive (loss) / income, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Equity investment at FVOCI - net change in fair value	12	(7,542)	1,167
Total comprehensive loss for the year		(92,074)	(6,412)
Loss attributable to:			
Equity holders of the Company		(55,302)	(8,455)
Non-controlling interests	11(b)	(29,230)	876
		(84,532)	(7,579)

* The comparative information has been re-presented due to a discontinued operation as disclosed in Note 35.

The accompanying notes are an integral part of the financial statements.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

	Note	2023 RMB'000	2022 RMB'000 (Re-presented)*
Total comprehensive loss attributable to:			
Equity holders of the Company		(62,844)	(7,288)
Non-controlling interests	11(b)	(29,230)	876
		(92,074)	(6,412)
Loss per share (RMB cents)			
- Basic and diluted	36	(13.55)	(2.19)

* The comparative information has been re-presented due to a discontinued operation as disclosed in Note 35.

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2023
(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

Group	Attributable to equity holders of the Company								Non-controlling interests	Total equity
	Issued capital	Share premium	Treasury shares	Statutory reserve	Other reserves	Fair value deficit	Accumulated losses	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.1.2022	13,142	259,797	(18)	-	316,631	(14,831)	(434,102)	140,619	44,238	184,857
(Loss) / Profit for the year	-	-	-	-	-	-	(8,455)	(8,455)	876	(7,579)
Other comprehensive income, net of tax:										
- Equity investment at FVOCI-net change in fair value	-	-	-	-	-	1,167	-	1,167	-	1,167
Contribution by owners										
- Issuance of new ordinary shares (Notes 24 and 25)	2,664	11,561	-	-	-	-	-	14,225	-	14,225
- Transfer to statutory reserve	-	-	-	312	-	-	(312)	-	-	-
Balance at 31.12.2022	15,806	271,358	(18)	312	316,631	(13,664)	(442,869)	147,556	45,114	192,670
Balance at 1.1.2023	15,806	271,358	(18)	312	316,631	(13,664)	(442,869)	147,556	45,114	192,670
Loss for the year	-	-	-	-	-	-	(55,302)	(55,302)	(29,230)	(84,532)
Other comprehensive loss, net of tax:										
- Equity investment at FVOCI-net change in fair value	-	-	-	-	-	(7,542)	-	(7,542)	-	(7,542)
Balance at 31.12.2023	15,806	271,358	(18)	312	316,631	(21,206)	(498,171)	84,712	15,884	100,596

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Equity

For the financial year ended 31 December 2023
(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

Company	Issued capital	Share premium	Treasury shares	Distributable reserve	Fair value deficit	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.1.2022	13,142	259,797	(18)	267,600	(14,831)	(432,087)	93,603
Loss for the year	-	-	-	-	-	(15,355)	(15,355)
Other comprehensive income, net of tax:							
- Equity investment at FVOCI-net change in fair value	-	-	-	-	1,167	-	1,167
Contribution by owners							
- Issuance of new ordinary shares (Notes 24 and 25)	2,664	11,561	-	-	-	-	14,225
Balance at 31.12.2022	15,806	271,358	(18)	267,600	(13,664)	(447,442)	93,640
Balance at 1.1.2023	15,806	271,358	(18)	267,600	(13,664)	(447,442)	93,640
Loss for the year	-	-	-	-	-	(6,128)	(6,128)
Other comprehensive income, net of tax:							
- Equity investment at FVOCI-net change in fair value	-	-	-	-	(7,542)	-	(7,542)
Balance at 31.12.2023	15,806	271,358	(18)	267,600	(21,206)	(453,570)	79,970

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023
(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

	Note	2023 RMB'000	2022 RMB'000
Cash flows from operating activities			
Loss before tax			
- Continued operation		(81,195)	(7,956)
- Discontinued operation, net of tax	35	(3,038)	(130)
Adjustments:			
Depreciation of property, plant and equipment	6	4,401	4,939
Depreciation of bearer plants	7	2,926	1,541
Depreciation of right-of-use assets	8	3,036	1,739
Amortisation of land use rights	9	2	2
Amortisation of intangible assets	10	118	118
Bearer plants written off	33	62,964	107
Loss on disposal of property, plant and equipment	31	54	15
Property, plant and equipment written off	31	593	-
Inventory written off	31, 35	1,325	-
Government compensation for land reclamation	22(ii)	(4,346)	-
Gain from lease modification	30	(1,419)	(61)
Impairment loss on financial assets:			
- Trade receivables	3(ii)	783	994
- Other receivables	16(vi)	2,684	-
- Amount due from related parties	3(ii)	3	14
Impairment loss on non-financial assets	7	9,409	-
Reversal of impairment loss on financial assets:			
- Trade receivables	3(ii)	(522)	(57)
Interest income	32(a), 35	(98)	(18)
Interest expense:			
- Term loans	22(ii)	1,625	1,574
- Lease liabilities	22(ii)	2,682	1,378
- Others	32(b), 35	396	332
Trade and other payables written off	30	(4,750)	(283)
Fair value gain on financial assets, at FVPL – structured deposits	13	(80)	(151)
Loss / (Gain) on exchange difference		48	(105)
Operating (loss) / profit before working capital changes		(2,399)	3,992

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

	Note	2023 RMB'000	2022 RMB'000
Cash flows from operating activities (Continued)			
Operating (loss) / profit before working capital changes		(2,399)	3,992
Inventories		2,383	(1,901)
Trade receivables		3,436	(2,306)
Other receivables, deposits and prepayments		(3,108)	(3,530)
Pledged bank deposits		50	106
Trade payables		(3,466)	1,577
Accruals and other payables		272	837
Amounts due from related parties		(38)	60
Cash used in operations, representing the net cash used in operating activities		(2,870)	(1,165)
Cash flows from investing activities			
Interest received		98	18
Financial assets, at FVPL – structured deposits			
- Additions	13	(27,250)	(66,540)
- Redemption	13	27,330	82,461
Purchase of property, plant and equipment	A	(761)	(479)
Capital expenditure on bearer plants	7	(478)	(5,765)
Proceeds from disposal of property, plant and equipment		186	48
Net cash (used in) / from investing activities		(875)	9,743
Cash flows from financing activities			
Advance from and payment on behalf by related parties (non-trade)	17	4,081	10,285
Repayment to related parties (non-trade)	17	(123)	(22,200)
Repayment of bank loans	22(ii)	(15,545)	(16,229)
Repayment of lease liabilities	22(ii)	(4,379)	(3,266)
Repayment of finance expenses	32(b), 35	(396)	(332)
Proceeds from bank loans drawdown	22(ii)	11,000	18,000
Deposit received from / (paid to) corporate guarantors	16(ii)	1,425	(1,625)
Proceeds from issuance of new shares	24, 25	-	14,225
Net cash used in financing activities		(3,937)	(1,142)
Net (decrease) / increase in cash and cash equivalents		(7,682)	7,436
Cash and cash equivalents at beginning of the year		15,095	7,566
Effects of exchange rate changes in cash and cash equivalents		(60)	93
Cash and cash equivalents at end of the year	20	7,353	15,095

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023
(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

Note A

	2023 RMB'000	2022 RMB'000
Purchase of property, plant and equipment (Note 6)	(2,564)	(479)
Add:		
Increase in amount included in other payables	730	-
Transfer from prepaid construction costs in prior year (Note 16)	1,073	-
Cash outflow to purchase of property, plant and equipment	(761)	(479)

The accompanying notes are an integral part of the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

China Mining International Limited (the "Company") is a limited liability company domiciled and incorporated in Cayman Islands and is listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of the Company's registered office is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. The address of its principal place of business is at 5-Floor Zhong Chuang Building, Intersection of Zhong Wang Road and Zheng Guang North Street, Jin Shui District, Zheng Zhou City, Henan Province 450000, People's Republic of China ("PRC").

The Company's immediate and ultimate holding company is China Focus International Limited, incorporated in British Virgin Islands. The ultimate controlling party of the Group is the former Chairman of the Group, Mr. Guo Yinghui.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are shown in Note 11.

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 10 June 2024.

2. BASIS OF PREPARATION

2.1 Basis of measurement

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the International Financial Reporting Standards ("IFRS").

The preparation of the financial statements in conformity with IFRS requires 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in this Note.

2. BASIS OF PREPARATION (Continued)

2.2 Fundamental accounting concept

During the current financial year ended 31 December 2023, the Group has recorded a net loss of RMB 84,532,000 (2022: RMB 7,579,000) and operating cash outflows of RMB 2,870,000 (2022: RMB 1,165,000). As at 31 December 2023, the Group and the Company had net current liabilities of RMB 22,532,000 (2022: RMB 8,631,000) and RMB 120,372,000 (2022: RMB 117,040,000) respectively. As of that date, the Group's cash and cash equivalents amounted to RMB 7,353,000, while its current liabilities stood at RMB 43,648,000 (inclusive of external term loans payable of RMB 26,291,000 which are due within the next 12 months).

Despite the above factors, the accompanying financial statements have been prepared on a going concern basis. Management's assessment of the Group's and the Company's ability to continue as a going concern includes the following key assumptions:

(a) The Group's agriculture business is expected to generate operating profits and operating cash inflows in financial year 2024, following a challenging FY2023. The performance in FY2023 was significantly impacted by adverse weather conditions and land reclamation issues, resulting in the write-off of bearer plants (Note 7);

(b) The Group continues to receive financial support from Mr. Guo Ying Hui, a controlling shareholder of the Company, enabling it to operate as a going concern and meet its obligations as and when they fall due. Mr. Guo Ying Hui has agreed not to recall the aggregate amount of RMB 3,354,000 owing to his controlled entities (classified as non-current liabilities (Note 17(ii)) within the next 12 months, and to provide additional funds should the Group requires working capital. In addition, subsequent to reporting date, one of Mr Guo Ying Hui's controlled entities has entered into a loan agreement to provide interest-free loan of up to RMB 10,000,000 to the Group for a period of 18 months from date of drawndown. As of the date of authorisation of these financial statements, RMB 5,600,000 has been drawndown and received by the Group;

(c) The Group holds a 40.15% interest in Sino Feng Mining S.àr.l. ("Sino Feng"), an unquoted investment classified as a financial asset at fair value through other comprehensive income (FVOCI) (Note 12). Sino Feng has an underlying interest in Aero Wind Properties Pty Ltd ("AWP"), which holds mining rights to an iron ore mine in South Africa (in which the Group has an effective interest of 16.06%). As announced by the Company via SGXNet on 21 May 2024 and 30 May 2024, the majority shareholder of Sino Feng, via Sino Feng's wholly-owned subsidiary, has entered into an agreement to dispose of its interest in AWP. The Group expects to receive USD 6,000,000 (approximately RMB 43,000,000) from this transaction, which will be sufficient to repay the current portion of bank borrowings and fund the Group's operation for at least the next 12 months from reporting date;

(d) As disclosed in Note 22, the Group's Loan 3 from a government agency, initially with a 3-year term that matured in April 2022, includes an option that allows the Group to extend the loan for a further 3 years. Although the Group has yet to enter into an extension agreement due to the government agency's restructuring, management is confident that an agreement will be reached to extend the loan for a further 3 years. The Group is also confident of successful renewal of Loan 1 amounting to RMB 10,000,000 which is due on 21 June 2024. Additionally, subsequent to the reporting date, the Agri Sub-group received a non-legally binding Letter of Intent from a different PRC bank for a facility of up to RMB 20,000,000; and

(e) The directors of the Company conducted a detailed review of the Group's cash flows forecast prepared by the management for the next 12 months ending 31 December 2024. Based on the cash flows forecast, the directors of the Company are confident that, considering the factors mentioned above, the Group has sufficient liquidity to meet its working capital requirements for the next 12 months ending 31 December 2024.

2. BASIS OF PREPARATION (Continued)

2.2 Fundamental accounting concept (Continued)

In view of the above, the accompanying financial statements have been prepared on a going concern basis and no adjustment has been made to the financial statements to reflect the situation that assets may be realised other than in the normal course of business or at significantly different amount from that being currently recorded in the statements of financial position in the unlikely event that the Group and the Company cannot continue to operate on a going concern in the foreseeable future. In such circumstances, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

2.3 Functional and presentation currency

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Chinese Renminbi ("RMB"), which is the functional currency of the Company and all values are rounded to the nearest thousand (RMB'000) as indicated, unless otherwise stated.

2.4 Critical accounting estimates, assumptions and judgments

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.

Other than as disclosed in Note 12, there are no judgements made by management (apart from those involving estimations) in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

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 within the next financial year are discussed below.

(a) Valuation of financial assets, at FVOCI

Management has measured the fair value of the financial assets, at FVOCI representing the unquoted equity investment of 40.15% in Sino Feng 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 as well as the relevant sensitivity analysis are described in Note 12.

2. BASIS OF PREPARATION (Continued)

2.4 Critical accounting estimates, assumptions and judgments (Continued)

(b) Impairment of trade and other receivables, deposits and prepayments

Impairment allowance for financial assets measured at amortised costs are applied using the ECL model, which requires assumptions of risk of default and expected loss rates. The Company uses judgement in making these assumptions. In determining key inputs to the ECL loss allowance, the Group considers factors such as the historical loss rate, past payment records of the counter-parties, 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.

Included in the total assets of the Group as at 31 December 2023 was trade receivables and other receivables, deposits and prepayments that is subject to ECL with carrying amount of RMB 1,466,000 (2022: RMB 5,163,000) and RMB 7,359,000 (2022: RMB 3,960,000) respectively, which are stated after allowance made for impairment loss amounting to RMB 956,000 and RMB 7,684,000 (2022: RMB 937,000 and RMB 5,000,000) respectively. The factors considered by the management in individually determining that these balances were impaired are disclosed in Notes 3(ii), 15 and 16. Any change in the financial standing or probability of the recovery of such balances may result in adjustment to these carrying amounts within the next financial year.

(c) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the yield, and revenue. The carrying amount of CGU are disclosed in Note 6, 7 and 8 and further details of the key assumptions applied in the impairment assessment of the CGU are disclosed in Note 7.

(d) Impairment of investment in subsidiaries

When there is an indication that a subsidiary has suffered an impairment loss, for example the subsidiary is in capital deficit and has suffered operating losses; an assessment is made as to whether the investment in the subsidiary has suffered any impairment, in accordance with the stated accounting policy. An estimate on the recoverable amount is the higher of its fair value less costs to sell and its value in use. As at 31 December 2023, the total carrying amount of investment in subsidiaries is RMB 151,112,000 (2022: RMB 153,912,000), after net of impairment on Elegant Jade of RMB 478,533,000 (2022: RMB 475,733,000).

During the year, the Company recognised on impairment loss amounting to RMB 2,800,000 (2022: RMB 11,399,000) to write down its cost of investment in Elegant Jade to its recoverable amount, taking into account the balance due to Elegant Jade amounting to RMB 120,022,000 (2022: RMB 117,006,000) and its net current assets position.

2. BASIS OF PREPARATION (Continued)

2.4 Critical accounting estimates, assumptions and judgments (Continued)

(e) Income taxes

Land Appreciation Tax ("LAT")

LAT is levied on properties developed by the Group for sale in the PRC, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, and relevant property development expenditures. The Group has been pre-paying LAT based on pre-determined rates. In view of the fully handover of remaining property units in prior year, the condition to commence finalisation of LAT calculations with local tax authorities in the PRC has been fulfilled, the timing of which is at the discretion of the local tax authorities.

Until the finalisation of LAT calculation, the Group recognised LAT based on management's best estimates according to understanding of the tax laws, regulations and practices as advised by local tax expert. Given the uncertainties of the calculation basis of LAT to be interpreted by the local tax bureau may be different from the management estimates, the actual outcomes may be higher or lower than that estimated at the end of the reporting period.

If the estimated allowable deductible expenses increases / decreases by 3.00% (2022: 3.00%) from management's estimates, the Group expects the accumulated LAT expenses up to 31 December 2023 will decrease / increase by approximately RMB 4,461,000 (2022: RMB 4,461,000).

The carrying amount of the Group's LAT recoverable at the end of the reporting period was approximately RMB 2,850,000 (2022: RMB 2,850,000).

Corporate Income Tax ("CIT")

Significant estimates are involved in determining the Group's provision for income taxes, including the deductibility of certain expenses and construction costs. There are certain transactions and computations for which the ultimate tax determination is uncertain until the finalisation of CIT at the completion of the entire development project. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. LAT as calculated above will be an input for the CIT calculation and hence is subject to uncertainty. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax in the period in which such determination is made.

The carrying amount of the Group's CIT payable at the end of the reporting period was approximately RMB 5,331,000 (2022: RMB 5,303,000), which has been offset with the above LAT recoverable balance of RMB 2,850,000 (2022: RMB 2,850,000) to derive at the net income tax payable of RMB 2,481,000 (2022: RMB 2,453,000) as at 31 December 2023 presented on the consolidated statement of financial position.

Where the final tax outcome of LAT and CIT is different from the amounts that were initially recognised, such differences will impact the tax expense in the period in which such determination is made.

2.5 Change in accounting policies

On 1 January 2023, the Group adopted the new or amended IFRS and Interpretations of IFRS ("IFRIC") that are mandatory for application from that date. There are no applicable changes except as follows:

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

2. BASIS OF PREPARATION (Continued)

2.5 Change in accounting policies (Continued)

Material accounting policy information

The Group has adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in respective notes and Note 39 Summary of other material accounting policies in certain instances in line with the amendments.

3. FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Financial assets				
Financial assets, at FVOCI	49,225	56,767	49,225	56,767
Financial assets at amortised cost	16,247	35,999	1,836	883
	65,472	92,766	51,061	57,650
Financial liabilities				
Financial liabilities at amortised cost	78,908	119,492	122,261	118,018

Financial risk management objectives and policies

The Group does not have written risk management policies and guidelines. The directors of the Company meet periodically to analyse and formulate measurements to manage the Group's exposure to market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments for hedging or speculative purposes. There has been no change during the financial year to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk

(a) Foreign exchange risk

The Group transacts business in various foreign currencies including United States dollar, Hong Kong dollar and Singapore dollar. At the end of the reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

Group	Renminbi	United States dollar	Hong Kong dollar	Singapore dollar	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2023					
Financial assets					
Trade receivables	1,466	-	-	-	1,466
Other receivables, deposits and prepayments	6,309	1,050	-	-	7,359
Cash and cash equivalents	6,480	728	74	71	7,353
Pledged bank deposits	69	-	-	-	69
	14,324	1,778	74	71	16,247
Financial liabilities					
Trade payables	3,257	-	-	-	3,257
Accruals and other payables	5,150	-	-	1,083	6,233
Borrowings - Term loans	26,672	-	-	-	26,672
Borrowings - Lease liabilities	39,392	-	-	-	39,392
Amounts due to related parties	3,354	-	-	-	3,354
	77,825	-	-	1,083	78,908
Net financial (liabilities) / assets	(63,501)	1,778	74	(1,012)	(62,661)
Less: Net financial liabilities denominated in the respective entities' functional currency	63,501	-	-	-	63,501
Foreign currency exposure	-	1,778	74	(1,012)	840

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Group	Renminbi	United States dollar	Hong Kong dollar	Singapore dollar	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2022					
Financial assets					
Trade receivables	5,163	-	-	-	5,163
Other receivables and deposits	3,950	-	10	-	3,960
Cash and cash equivalents	14,076	664	75	280	15,095
Pledged bank deposits	119	-	-	-	119
Amount due from related parties	11,662	-	-	-	11,662
	34,970	664	85	280	35,999
Financial liabilities					
Trade payables	6,945	-	-	-	6,945
Accruals and other payables	9,683	-	-	871	10,554
Borrowings - Term loans	29,576	-	-	-	29,576
Borrowings - Lease liabilities	61,307	-	-	-	61,307
Amounts due to related parties	11,110	-	-	-	11,110
	118,621	-	-	871	119,492
Net financial (liabilities) / assets	(83,651)	664	85	(591)	(83,493)
Less: Net financial liabilities denominated in the respective entities' functional currency	83,651	-	-	-	83,651
Foreign currency exposure	-	664	85	(591)	158

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

As the intragroup receivables and intragroup payables are denominated in Renminbi, which is the functional currency of all entities of the Group, hence the Group is not subject to material foreign currency risk on these balances.

Company	Renminbi	United States dollar	Hong Kong dollar	Singapore dollar	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2023					
Financial assets					
Other receivables	-	1,050	-	-	1,050
Cash and cash equivalents	-	718	58	10	786
	-	1,768	58	10	1,836
Financial liabilities					
Accruals and other payables	70	-	-	1,082	1,152
Amounts due to subsidiaries (non-trade)	121,109	-	-	-	121,109
	121,179	-	-	1,082	122,261
Net financial (liabilities) / assets	(121,179)	1,768	58	(1,072)	(120,425)
Less: Net financial liabilities denominated in the Company's functional currency	121,179	-	-	-	121,179
Foreign currency exposure	-	1,768	58	(1,072)	754

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Company	Renminbi	United States dollar	Hong Kong dollar	Singapore dollar	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2022					
Financial assets					
Other receivables	-	114	-	-	114
Cash and cash equivalents	-	446	58	224	728
Amounts due from subsidiaries (non-trade)	41	-	-	-	41
	41	560	58	224	883
Financial liabilities					
Accruals and other payables	141	-	-	871	1,012
Amounts due to subsidiaries (non-trade)	117,006	-	-	-	117,006
	117,147	-	-	871	118,018
Net financial (liabilities) / assets	(117,106)	560	58	(647)	(117,135)
Less: Net financial liabilities denominated in the Company's functional currency	117,106	-	-	-	117,106
Foreign currency exposure	-	560	58	(647)	(29)

Foreign exchange risk sensitivity analysis

The following table details the sensitivity to a 5% (2022: 5%) strengthening and weakening in the relevant foreign currencies against the Renminbi. 5% (2022: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the Group's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% (2022: 5%) change in foreign currency rates.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

If the relevant foreign currencies weaken by 5% (2022: 5%) against the Renminbi, loss for the year will increase / (decrease) by:

	United States dollar impact		Hong Kong dollar impact		Singapore dollar impact	
	2023	2022	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group						
Loss for the year	67	25	3	3	(38)	(22)
Company						
Loss for the year	66	21	2	2	(40)	(24)

A 5% (2022: 5%) strengthening of the relevant foreign currencies against the Renminbi at 31 December would have had the equal but opposite effect on loss for the year on the basis that all other variables remained constant.

The movement of foreign exchange rate does not have any impact on the equity of the Company and the Group.

(b) Interest rate risk

As disclosed in Note 22, the Group has financing facilities granted by banks and a government agency. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. The Group constantly monitors its interest rate risk and does not utilise interest rate swap or other arrangements for trading or speculative purposes. As at 31 December 2023, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The Group's interest-bearing assets are primarily pledged bank deposits (Note 19) which bear fixed interest rates. Summary quantitative data of the Group's interest-bearing financial liabilities, mainly term loans (2022: term loans) can be found in part (iii) of this note.

Interest in financial instruments subject to floating interest rates is repriced regularly. Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group that are not included in the table in part (iii) of this note are not subject to interest rate risks.

<u>Interest risk sensitivity</u>

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting periods in the case of instruments that have floating rates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If the interest rates had been 100 basis point higher or lower and all other variables were held constant, the Group's loss for the year ended 31 December 2023 would decrease / increase by RMB 120,000 (2022: RMB 135,000). This mainly attributable to the Group's exposure to interest rates on its variable rates term loans.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. For financial assets, the Group adopts the policy of dealing only with high credit quality counterparties, which are considered to be low risk. Cash and cash equivalents (Note 20), financial assets, at FVPL – structured deposits (Note 13) and pledged bank deposits (Note 19) of the Group are placed with reputable financial institutions in Singapore, PRC and Hong Kong.

Expected credit losses model under IFRS 9

The Group manages credit loss based on Expected Credit Losses (ECL) model. The Group and Company have the following financial assets subject to ECL:

	Trade receivables	
	2023	2022
	RMB'000	RMB'000
Group		
Gross amount of financial assets subject to ECL as at reporting date	2,422	6,100
Movement of life-time ECL:		
Balance at 1 January	(937)	-
Recognised in profit or loss		
- ECL reversal arising from the recovery of balances	522	57
- ECL recognised	(783)	(994)
- ECL written off	242	-
Balance at 31 December	(956)	(937)
Carrying amounts of financial assets, representing net exposure as at reporting date	1,466	5,163^

^ The credit risk of a balance of RMB 559,000 is mitigated by an agreement to offset the balance with future purchases of consumables from this counterparty.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk (Continued)

Expected credit losses model under IFRS 9 (Continued)

Group	**Other receivables, deposits and prepayments**			
	Stage-3	Stage-2	Stage-1	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 16)	(Note 16)	(Note 16)	(Note 16)
2023				
Gross amount of financial assets subject to ECL as at reporting date	6,286	4,027	4,730	15,043
Movement of life-time ECL:				
Balance at 1 January 2023	(5,000)	-	-	(5,000)
Recognised in profit or loss				
Continuing operation				
- ECL recognised	-	(187)	-	(187)
Discontinued operation				
- ECL recognised	(1,286)	(1,211)	-	(2,497)
Balance at 31 December 2023	(6,286)	(1,398)	-	(7,684)
Carrying amounts of financial assets, representing net exposure as at reporting date	-	2,629	4,730	7,359

	Stage-3 - Hongjing	Stage-1 - Others	Total
	RMB'000	RMB'000	RMB'000
2022			
Gross amount of financial assets subject to ECL as at reporting date	5,000	3,960	8,960
Movement of life-time ECL:			
Balance at 1 January 2022	(5,000)	-	(5,000)
Recognised in profit or loss			
- ECL recognised	-	-	-
Balance at 31 December 2022	(5,000)	-	(5,000)
Carrying amounts of financial assets, representing net exposure as at reporting date	-	3,960	3,960

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk (Continued)

Expected credit losses model under IFRS 9 (Continued)

Company

	Other receivables	
	Stage-2	Total
	RMB'000	RMB'000
	(Note 16)	(Note 16)
2023		
Gross amount of financial assets subject to ECL as at reporting date	1,179	1,179
Movement of life-time ECL:		
Balance at 1 January 2023	-	-
Recognised in profit or loss		
- ECL recognised	(129)	(129)
Balance at 31 December 2023	(129)	(129)
Carrying amounts of financial assets, representing net exposure as at reporting date	1,050	1,050

The gross amount and carrying amount of other receivables of the Company as at 31 December 2022 is RMB 114,000 (Stage 1).

Group

	Amount due from related parties		
	Stage-3	Stage-1	
	Corporate head office	Agriculture segment	Total
	RMB'000	RMB'000	RMB'000
			(Note 17)
2023			
Gross amount of financial assets subject to ECL as at reporting date	171	-	171
Movement of life-time ECL:			
Balance at 1 January 2023	(168)	-	(168)
ECL recognised during the year	(3)	-	(3)
Balance at 31 December 2023	(171)	-	(171)
Carrying amounts of financial assets, representing net exposure as at reporting date	-	-	-

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk (Continued)

Expected credit losses model under IFRS 9 (Continued)

Group	Amount due from related parties		
	Stage-3	Stage-1	
	Corporate head office	Agriculture segment	Total
	RMB'000	RMB'000	RMB'000 (Note 17)
2022			
Gross amount of financial assets subject to ECL as at reporting date	168	11,662	11,830
Movement of life-time ECL:			
Balance at 1 January 2022	(154)	-	(154)
ECL recognised during the year	(14)	-	(14)
Balance at 31 December 2022	(168)	-	(168)
Carrying amounts of financial assets, representing net exposure as at reporting date	-	11,662	11,662

General 3-stages approach is applied in the ECL assessment of the above financial assets (except for trade receivables under simplified approach). Unless it is individually determined to be credit-impaired with full impairment, ECL is provided based on the ageing of the debts, ranging from 10% to 50%.

Trade receivables

Trade receivables relates to small numbers of customers such as fruit distributors (2022: fruit distributors and distribution platforms) in PRC which has long term trading relationship with the Group.

Other receivables due from Hongjing

Balance owing by Hongjing is considered Stage 3 (credit impaired) as it has not adhered to the agreed instalment plan in previous years as disclosed in Note 16(i).

Other receivables, deposits and prepayments

Balances owing from non-trade balances relates to other receivable and upfront payment made to suppliers. An amount of RMB 1,286,000 is considered as Stage 3 and the Group has made full provision in view that the Group do not foresee material recoveries of the sum. Gross balance of RMB 4,027,000 is considered as Stage 2 (significant increase in credit risk) as the amount owing is in past due status and/or lack of continuing business relationship. However, the Group is in the process of negotiating for the recoveries of the amounts.

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk (Continued)

Expected credit losses model under IFRS 9 (Continued)

Amount due from related parties

Management assessed that, as at 31 December 2022, there is low credit risk for the amount due from holding company and other related parties (representing Mr. Guo Ying Hui's controlled entities) recorded in the Agri Sub-group segment acquired during previous year, in view that the Agri Sub-group owed a higher balance to Mr. Guo Ying Hui's controlled entities and he personally guarantees the repayment of these receivables within the next 12 months (Note 17).

The carrying amount of financial assets recorded in the consolidated financial statements, represents the Group's maximum exposure to credit risk, except for the financial guarantees as follows:

Financial guarantees contracts issued

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks for certain buyers' mortgage loans in the property development segment). The details of nature of guarantees and the assessment are disclosed in Note 37(i).

Management assesses that there are no material ECL on bank balances (Note 19 and 20), and deposits paid to corporate guarantors and lessors (Note 16).

Credit risk concentration

As at 31 December 2023, other than as disclosed elsewhere and in Note 37(i), the Group's significant credit risk exposure to single counterparty or group of counterparties having similar characteristics, are mainly described below:

- Cash and cash equivalents amounting to RMB 697,000 (2022: RMB 895,000) (Note 20) and pledged deposits amounting to RMB 69,000 (2022: RMB 119,000) (Note 19) are placed with 4 (2022: 4) of the 4 largest state-owned commercial banks in the PRC.

- Balance owing from a major customer of the Agri sub-group amounting to RMB 1,213,000 (2022: RMB 2,423,000).

- Due from related parties included an amount of RMB nil (2022: RMB 11,662,000) (Note 17) owing to the holding company, a company wholly owned by Mr. Guo Ying Hui.

Other receivables, deposits and prepayment

- Deposits paid to third party guarantors amounting to RMB 1,500,000 (2022: RMB 2,925,000) to secure term loan borrowings.

- Balance owing from a third party representing payments on behalf, amounting to RMB 956,000 (2022: nil).

- Balance sum of government compensation for land reclamation of RMB 2,450,000 (2022: nil).

- Upfront payments to be refunded by suppliers of goods in the discontinued operation totaling RMB 1,371,000 (2022: nil, being classified as non-financial assets).

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Liquidity risk

The Group obtains financial support from Mr. Guo Ying Hui, a controlling shareholder of the Group and maintains sufficient cash and cash equivalents to finance their activities. The following table details the remaining contractual maturity for financial liabilities. The table is drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay and includes both interest and principal cash flows.

Group	Effective interest rate	On demand or not later than 1 year	Later than 1 year and not later than 5 years	More than 5 years
	%	RMB'000	RMB'000	RMB'000
2023				
Non-interest bearing liabilities:				
Trade and other payables		9,490	-	-
Amount due to related parties		-	3,354	-
Interest bearing liabilities:				
Lease liabilities (fixed rate)	5.82% - 7.18%	5,109	16,741	43,065
Term loans (fixed rate)	7% - 7.63%	10,768	-	-
Term loans (floating rate)	4% - 6.09%	15,813	387	-
Financial guarantee issued (Note 37(i)), net of bank deposits pledged	-	3,932	-	-
		45,112	20,482	43,065

Group	Effective interest rate	On demand or not later than 1 year	Later than 1 year and not later than 5 years	More than 5 years
	%	RMB'000	RMB'000	RMB'000
2022				
Non-interest bearing liabilities:				
Trade and other payables		17,499	-	-
Amount due to related parties		-	11,110	-
Interest bearing liabilities:				
Lease liabilities (fixed rate)	6.16% - 7.18%	10,616	26,096	57,515
Term loans (fixed rate)	7% - 7.63%	11,024	768	-
Term loans (floating rate)	3.95% - 6.04%	18,249	-	-
Financial guarantee issued (Note 37(i)), net of bank deposits pledged	-	4,632	-	-
		62,020	37,974	57,515

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

3. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Liquidity risk (Continued)

The Company's financial liabilities at 31 December 2023 and 31 December 2022 are all repayable on demand or due within one year.

Capital risk management policies and objectives

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's and Company's overall strategies remain relatively similar with that of 2022.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

(i) Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Company classifies 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:

Group	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000
2023			
Financial assets, at FVOCI			
- Unquoted equity investment	-	-	49,225
	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000
2022			
Financial assets, at FVOCI			
- Unquoted equity investment	-	-	56,767

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

4. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(i) Fair value of financial instruments that are carried at fair value (Continued)

Fair value hierarchy (Continued)

For financial assets, at FVOCI, the fair value of the financial assets cannot be derived from active markets, the fair value was determined using valuation techniques, i.e. discounted cash flows model, which uses significant unobservable data. The inter-relationship of the significant unobservable inputs is disclosed in Note 12.

Movements in Level 3 financial instruments measured at fair value

The following table presents the reconciliation for all financial instruments measured at fair value based on significant unobservable inputs (Level 3).

	Group	
	2023	2022
	RMB'000	RMB'000
Financial assets, at FVOCI (Note 12)		
At beginning of the year	56,767	55,600
Fair value (loss) / gain recognised in other comprehensive income	(7,542)	1,167
At end of the year	49,225	56,767

There has been no financial instrument transfer from Level 1 and Level 2 to Level 3 during financial year ended 31 December 2023 and 31 December 2022.

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, pledged bank deposits, trade and other receivables and payables, including amounts due from / (to) related parties, lease liabilities and term loans are reasonable approximation of fair value due to their short-term nature except as explained below:

- The fair value of fixed-rate term loans repayable after next 12 months (Loan 5), discounted at market interest rate, approximates the carrying amount.

- In relation to the amount due to related parties which was classified as non-current liabilities, the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. However, the repayment scheduled in year 2025 and beyond was not determinable at this stage and hence fair value cannot be estimated.

(iii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

At the reporting date, there are no financial instruments under this category.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

5. RELATED PARTY TRANSACTIONS

Some of the arrangements with related parties and the effects of these bases determined between the parties are reflected elsewhere in this report. In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	Group	
	2023	2022
	RMB'000	RMB'000
Payment on behalf for holding company	35	36
Payment on behalf for other related parties	3	-
Advance from and payment on behalf by other related parties	4,081	10,285
Advance to other related party	-	100
Purchase of fixed assets from other related party	(15)	-

Note:

Other related parties refer to entities which are controlled by Mr. Guo Ying Hui, ultimate controlling party of the Company.

The balances arising from the above transactions are unsecured, non-interest bearing and repayable on demand.

The remuneration of directors and other key management personnel ("KMP") of the Group during the financial years were as follows:

	Group	
	2023	2022
	RMB'000	RMB'000
Short-term benefits	4,772	4,926
Post-employment benefits (defined contribution)	73	88
	4,845	5,014

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings	Furniture, fixtures and equipment	Motor vehicles	Plant and machinery	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost						
As at 1.1.2022	18,672	8,134	3,593	6,806	62	37,267
Additions	-	37	390	52	-	479
Disposals	-	-	(202)	(103)	-	(305)
Write-off	-	(7)	-	-	-	(7)
As at 31.12.2022	18,672	8,164	3,781	6,755	62	37,434
As at 1.1.2023	18,672	8,164	3,781	6,755	62	37,434
Additions	2,550	5	-	9	-	2,564
Disposals	-	(2,676)	(1,206)	(587)	-	(4,469)
Write-off	(2,511)	(16)	-	(84)	-	(2,611)
As at 31.12.2023	18,711	5,477	2,575	6,093	62	32,918
Accumulated depreciation and impairment loss						
As at 1.1.2022	181	482	2,920	-	-	3,583
Charge for the year	2,306	1,634	305	694	-	4,939
Disposals	-	-	(182)	(60)	-	(242)
Write-off	-	(7)	-	-	-	(7)
As at 31.12.2022	2,487	2,109	3,043	634	-	8,273
As at 1.1.2023	2,487	2,109	3,043	634	-	8,273
Charge for the year	2,061	1,510	169	661	-	4,401
Disposals	-	(2,053)	(912)	(391)	-	(3,356)
Write-off	(1,957)	(12)	-	(49)	-	(2,018)
Impairment loss (Note 7)	1,238	301	-	403	-	1,942
As at 31.12.2023	3,829	1,855	2,300	1,258	-	9,242
Net carrying value						
As at 31.12.2023	14,882	3,622	275	4,835	62	23,676
As at 31.12.2022	16,185	6,055	738	6,121	62	29,161

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	Furniture, fixtures and equipment RMB'000
Cost	
As at 1.1.2022, 31.12.2022 and 1.1.2023	11
Additions	5
As at 31.12.2023	16
Accumulated depreciation	
As at 1.1.2022	8
Charge for the year	2
As at 31.12.2022	10
As at 1.1.2023	10
Charge for the year	1
As at 31.12.2023	11
Net carrying value	
As at 31.12.2023	5
As at 31.12.2022	1

As at 31 December 2023, certain items of equipment of the Group with a carrying value of RMB 905,000 (2022: RMB 1,955,174) has been pledged to a finance company as security for financing facilities (Note 22).

The disposal of certain plant and equipment of the Group during the year are settled by offsetting with few creditors amounting to RMB 873,000 (2022: Nil).

Material accounting policy

All items of property, plant and equipment are initially recorded at cost and are depreciated using the straight-line method to write-off the cost of the assets less estimated residual value over their estimated useful lives as follows:

	Useful lives (Years)	Estimated residual value as a percentage of cost (%)
Buildings	20 years	0% to 3%
Furniture, fixtures and equipment	3 to 10 years	0% to 5%
Motor vehicles	5 to 10 years	3% to 10%
Plant and machinery	5 to 15 years	0% to 5%

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

7. BEARER PLANTS

Group	Mature plantations	Immature plantations	Total
	RMB'000	RMB'000	RMB'000
Cost			
As at 1.1.2022	36,794	78,680	115,474
Transfer from immature plantations due to maturity	35,925	(35,925)	-
Capitalisation of interest expense (Note 22)	-	2,128	2,128
Capitalisation of depreciation expense of right-of-use assets (Note 8)	-	2,622	2,622
Capital expenditure on bearer plants	-	5,765	5,765
Write-off	(108)	-	(108)
As at 31.12.2022	72,611	53,270	125,881
As at 1.1.2023	72,611	53,270	125,881
Transfer from immature plantations due to maturity	9,369	(9,369)	-
Capitalisation of interest expense (Note 22)	-	530	530
Capitalisation of depreciation expense of right-of-use assets (Note 8)	-	569	569
Capital expenditure on bearer plants	-	478	478
Write off	(24,506)	(39,434)	(63,940)
As at 31.12.2023	57,474	6,044	63,518
Accumulated depreciation and impairment loss			
As at 1.1.2022	-	-	-
Charge for the year	1,541	-	1,541
Write off	(1)	-	(1)
As at 31.12.2022	1,540	-	1,540
As at 1.1.2023	1,540	-	1,540
Charge for the year	2,926	-	2,926
Write off	(976)	-	(976)
Impairment loss	4,598	-	4,598
As at 31.12.2023	8,088	-	8,088
Net carrying value			
As at 31.12.2023	49,386	6,044	55,430
As at 31.12.2022	71,071	53,270	124,341

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

7. BEARER PLANTS (Continued)

Material accounting policy

Depreciation is charged so as to write off the cost of mature plantation on a straight-line basis over the estimated useful lives of 25 years post maturity. No depreciation is provided for in respect of bearer plants until they are in the location and condition necessary to be capable of operating in the manner intended by management, which is the point of maturity of bearer plants.

Borrowing costs capitalised as the cost of immature plantations for the financial year ended 31 December 2023 amounted to RMB 530,000 (2022: RMB 2,128,000). The interest capitalised is the actual interest incurred on the borrowings to finance the cultivation of pomegranate plantations.

Bearer plants written off

During the financial year, the Chinese government has reclaimed part of the Group's leased farmland for the building of expressways and railways and affected the usage and functionalities of the irrigation facilities. The pomegranate trees planted on the affected areas has been cut-down. Hence it resulted in bearer plant written off amounting to RMB 62,964,000 (Note 31). The Group is entitled for a total compensation of RMB 11,348,000 for the loss of planted trees as a result of land reclamation which is recognised as other income (Note 30).

Impairment assessment

At the reporting date, management performed an impairment test for Henan Zhongnong Huasheng Agriculture Science and Technology Co. Ltd.'s (Agri-Group) non-financial assets, which included property, plant and equipment (Note 6), bearer plants (Note 7) and right-of-use assets (Note 8), classified as 1 single CGU. The total carrying amount of these non-financial assets, subject to impairment test, was RMB 122,836,000 which includes the following as at 31 December 2023:

- Property, plant and equipment of RMB 25,360,000;
- Bearer plants of RMB 60,028,000;
- Right-of-use assets of RMB 37,449,000.

As a result of the impairment assessment, the Group recognised an impairment loss on non-financial assets amounting to RMB 9,409,000 for the financial year ended 31 December 2023, allocated as below:

- Property, plant and equipment of RMB 1,942,000;
- Bearer plants of RMB 4,598,000;
- Right-of-use assets of RMB 2,869,000.

The recoverable amount of the relevant CGU was based on value in use, which is determined based on discounted cash flow ("DCF") projections approved by management. There has been no change to the valuation technique during the financial year.

Key assumptions used for DCF:

	Group	
	2023	2022
Yield per tree upon maturity (kg)	14	14
Average selling price per kg	RMB 9.37	RMB 10.25
Discount rate	14%	14.50%

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

7. BEARER PLANTS (Continued)

Impairment assessment (Continued)

Yield per tree upon maturity (kg)

The yield per tree upon maturity is forecasted by management based on industry experience, past record and management's assessment of the potential adverse impact arising from unfavourable climate condition.

Average selling price per kg

The average selling price is management's estimation price based on historical data and market demand according to grades and weights of fruits and type of the fruits packaging.

Discount rate

Discount rate represents the post-tax weighted average cost of capital (WACC) considering market participants' view on the CGU regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

Sensitivity analysis

2023

Management has performed sensitivity analysis of the yield per tree upon maturity, average selling price and discount rate:

	Changes in rate	**Effect on the impairment: increase / (decrease)** RMB'000
Yield per tree upon maturity (kg)	+5%	(5,941,000)
	-5%	5,941,000
Average selling price per kg	+5%	(9,108,000)
	-5%	9,108,000
Discount rate	+0.5%	3,238,000
	-0.5%	(3,410,000)

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

8. RIGHT-OF-USE ASSETS

Group	Leasehold land	Leasehold land and building	Total
	RMB'000	RMB'000	RMB'000
Cost			
As at 1.1.2022	55,813	508	56,321
Increase arising from reassessment of lease liabilities	4,192	-	4,192
Decrease due to lease modification	(131)	-	(131)
As at 31.12.2022	59,874	508	60,382
As at 1.1.2023	59,874	508	60,382
Decrease arising from reassessment of lease	(157)	-	(157)
Decrease due to lease modification	(14,810)	-	(14,810)
As at 31.12.2023	44,907	508	45,415
Accumulated depreciation and impairment loss			
As at 1.1.2022	-	-	-
Charge for the year (i)	4,325	36	4,361
As at 31.12.2022	4,325	36	4,361
As at 1.1.2023	4,325	36	4,361
Charge for the year (i)	3,569	36	3,605
Impairment for the year (Note 7)	2,869	-	2,869
As at 31.12.2023	10,763	72	10,835
Net carrying value			
As at 31.12.2023	34,144	436	34,580
As at 31.12.2022	55,549	472	56,021

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

8. RIGHT-OF-USE ASSETS (Continued)

Notes:

(i) The depreciation expenses are allocated to:

	2023 RMB'000	2022 RMB'000
(a) Capitalised to:		
- Bearer plants (Note 7)	569	2,622
(b) Recognised to profit or loss:		
- Cost of sales	2,846	1,549
- Administrative expenses	190	190
	3,036	1,739
	3,605	4,361

Lease of land generally have lease terms ranging from 10 to 30 years with remaining lease term between 5 to 24 years (2022: 6 to 25 years) as at 31 December 2023. The leases are non-cancellable and the renewal is subject to lessors' approval. The Group's bearer plants are planted and managed on the area which have obtained rights to cultivate, and the Group is restricted from assigning and subleasing the leased assets except for ROU assets for certain leasehold land with carrying amount of RMB 34,554,000 (2022: RMB 52,936,000).

The corresponding lease liabilities are disclosed in Note 22 to the financial statements.

Short-term leases

The Group also has certain leases of office with lease terms of less than 12 months. The Group applies "short-term lease" recognition exemptions for these leases and recognise lease expenses on a straight-line basis in the profit or loss as disclosed in Note 33.

9. LAND USE RIGHTS

	Group	
	2023 RMB'000	2022 RMB'000
Net carrying value		
At beginning of the year	38	40
Amortisation	(2)	(2)
At end of year	36	38

Material accounting policy

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised on a straight-line basis over the lease term of 30 years.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

9. LAND USE RIGHTS (Continued)

The Group has been granted land use rights over one plot of state-owned land in PRC where the Group's office resides for a lease term of 30 years.

During the financial year ended 31 December 2023, amortisation of RMB 2,000 (2022: RMB 2,000) has been charged to profit or loss.

10. INTANGIBLE ASSETS

Group	Patents and trademarks
	RMB'000
Cost	
As at 1.1.2022, 31.12.2022 and 31.12.2023	765
Accumulated amortisation	
As at 1.1.2022	-
Charge for the year	118
As at 31.12.2022	118
As at 1.1.2023	118
Charge for the year	118
As at 31.12.2023	236
Net carrying value	
As at 31.12.2023	529
As at 31.12.2022	647

The Group holds patents and trademarks for the branding of its agriculture products. The cost is amortised through profit or loss over their estimated useful lives of 3 to 8 years using the straight-line method. The remaining amortisation period is 1 to 7 years (2022: 2 to 8 years).

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

11. SUBSIDIARIES

	Company	
	2023	2022
	RMB'000	RMB'000
Unquoted equity shares, at cost	234,946	234,946
Deemed investment at cost [(i)]	378,795	378,795
Deemed investment in a subsidiary [(ii)]	15,904	15,904
	629,645	629,645
Less: Impairment loss (Note (a))		
Balance at 1 January	(475,733)	(464,334)
Recognised during the year	(2,800)	(11,399)
Balance at 31 December	(478,533)	(475,733)
	151,112	153,912
Represented by:		
Investment in Elegant Jade	114,001	116,801
Investment in Fully Rich	37,111	37,111
	151,112	153,912

Notes:

(i) Deemed investment at cost represents the amounts owing from subsidiaries which was neither likely nor plan to be recovered in the foreseeable future.

(ii) Deemed investment in a subsidiary arose from fair value of share options granted by the Company to the employees of its subsidiary for which there are no recharges.

Particulars of the Company's subsidiaries as at 31 December 2023 and 31 December 2022 are as follows:

Name of companies	Principal activities	Country of incorporation and place of business	Effective equity held by the Group	
			2023	2022
			%	%
Held by the Company				
Elegant Jade Enterprises Limited ("Elegant Jade")	Investment holding	British Virgin Islands	100	100
Nice Rhythms Limited	Investment holding	British Virgin Islands	100	100
China Mining Singapore Pte. Ltd. [(i)]	Mining consultancy and investment holding	Singapore	100	100
Fully Rich International Investment Limited ("Fully Rich") or ("Agri HoldCo")	Investment holding	Hong Kong	100	100

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

11. SUBSIDIARIES (Continued)

Name of companies	Principal activities	Country of incorporation and place of business	Effective equity held by the Group	
			2023	2022
			%	%
Direct / Indirect subsidiaries of Elegant Jade				
Zhengzhou Shengderun Mining Co., Ltd (formerly known as "Anyang Huilong Real Estate Co., Ltd")	Investment holding	PRC	100	100
Henan Xinyouji Trading Co., Ltd.	Trading and supply chain management of minerals	PRC	100	100
Henan Jiangui Supply Chain Management Co., Ltd. (i)	Trading and supply chain management of minerals	PRC	-	100
Henan Liangai Supply Chain Management Co., Ltd. (i)	Trading and supply chain management of minerals	PRC	-	100
Xinxiang Huilong Real Estate Co., Ltd.	Property development and investment holding	PRC	100	100
Henan Sunshine Elegant Jade Real Estate Co., Ltd.	Investment holding	PRC	100	100
Direct / Indirect subsidiaries of Fully Rich				
Henan Zhongnong Huasheng Agriculture Science and Technology Co. Ltd.	Plantation, cultivation and selling of agricultural produce	PRC	63.11	63.11
Zhengzhou Rundong Fruit Forest Co., Ltd.	Plantation, cultivation and selling of agricultural produce	PRC	63.11	63.11
Gongyi Zhongnong Huasheng Agricultural Science and Technology Co., Ltd.	Plantation, cultivation and selling of agricultural produce	PRC	63.11	63.11
Henan Central Agriculture and Commerce Co., Ltd.	Selling agricultural produce and processed agricultural products	PRC	63.11	63.11
Henan Zhongnong Huasheng Industrial Co., Ltd.	Processing, packaging and refrigerating agricultural produce	PRC	63.11	63.11
Henan Xinyounong Supply Chain Management Co., Ltd. (i)	Trading and supply chain management of agricultural products and produce	PRC	-	63.11

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

11. SUBSIDIARIES (Continued)

Name of companies	Principal activities	Country of incorporation and place of business	Effective equity held by the Group	
			2023	2022
			%	%
Direct / Indirect subsidiaries of Fully Rich (Continued)				
Henan Younong Future Supply Chain Management Co., Ltd.	Retailing and supply chain management via the internet concerning agricultural products and produce	PRC	63.11	63.11

Notes:
All material subsidiaries are audited by Crowe Horwath First Trust LLP, for the purpose of expressing an opinion on the consolidated financial statements.

(i) Struck off during or subsequent to the financial year.

(a) Impairment test on investment in subsidiaries

During the year, management has performed impairment assessment on Elegant Jade and recognised impairment loss amounting to RMB 2,800,000 (2022: RMB 11,399,000) to write down its cost of investment in Elegant Jade to the recoverable amount, taking into account the balance due to Elegant Jade amounting to RMB 120,022,000 (2022: RMB 117,006,000) and its net current asset position.

(b) Interest in subsidiaries with Non-Controlling Interests ("NCI")

(i) The Group has the following subsidiary that have material NCI.

Name of subsidiary	Proportion (%) of ownership interests and voting rights held by NCI	
	2023	2022
	%	%
Henan Zhongnong Huasheng Agriculture Science and Technology Co. Ltd. ("ZNHAST")	36.89	36.89

(ii) The carrying value of NCI to the Group is as follow:

	2023	2022
	$'000	$'000
Henan Zhongnong Huasheng Agriculture Science and Technology Co. Ltd.	15,884	45,114

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

11. SUBSIDIARIES (Continued)

(b) Interest in subsidiaries with Non-Controlling Interests ("NCI") (Continued)

(iii) The following summarises the financial information of ZNHAST and its subsidiaries, based on its financial statements prepared in accordance with IFRS, modified for fair value adjustment on acquisition.

	ZNHAST	
	2023	2022
	RMB'000	RMB'000
Revenue - Continuing operation	8,492	34,491
Revenue - Discontinued operation	1,030	25,888
(Loss) / Profit for the financial year	(79,231)	2,377
Attributable to NCI:		
- (Loss) / Profit for the financial year	(29,230)	876
Non-current assets	113,956	209,466
Current assets	18,434	30,385
Non-current liabilities	(36,994)	(54,563)
Current liabilities	(52,336)	(62,996)
Net assets	43,060	122,292
Accumulated NCI of the subsidiaries at end of financial year	15,884	45,114
Cash flows from operating activities	7,908	3,972
Cash flows used in investing activities	(346)	(5,600)
Cash flows used in financing activities	(7,874)	(7,567)

12. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

	Group and Company	
	2023	2022
	RMB'000	RMB'000
At beginning of the year	56,767	55,600
Changes in fair value recognised in other comprehensive income	(7,542)	1,167
At end of the year	49,225	56,767
Representing:		
Unquoted equity investments		
Investment in Sino Feng Mining S.àr.l. ("Sino Feng")	49,225	56,767

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

12. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) (Continued)

Judgement on classification of this investment

In accordance with the shareholders' agreement dated on 30 April 2017 entered between Sino Feng, Sino-Africa Mining International Limited ("Sino-Africa") and the Company:

(a) The control and management of Sino Feng will vest in the board of directors, which is solely appointed by Sino-Africa. The Company is not entitled to have any board representation, and neither the constitution of Sino Feng allows the Company, owning less than majority of voting power, to appoint a director in a general meeting.

(b) Dividends will be solely proposed by the Board of Directors of Sino Feng.

On the other hand, the abovementioned shareholders' agreement also agreed that subsequent to the share purchase, no new funding contribution will be required from the Company for purpose of making or realising an investment or funding any other requirement of the mining business of Sino Feng. Based on the above facts and circumstances and analysis of the rights and obligations held by the Company, the Company is not able to exercise control, joint control or significant influence over Sino Feng.

Upon initial adoption of IFRS 9 on 1 January 2019, the Group and the Company made an irrevocable election to measure the unquoted equity investments in Sino Feng at FVOCI as a strategic investment to tap into developed iron ore market in South Africa that has the potential to create long term value and returns. As a result, the investment is classified as financial asset at "Fair value through Other Comprehensive Income" (FVOCI).

Particulars of the Group's and Company's unquoted equity investment as at 31 December 2023 is as follows:

Unquoted investment	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interests	
			2023 %	2022 %
Held by the Group and Company				
Sino Feng Mining International S.àr.l. ("Sino Feng")	Investment holding	Luxembourg	40.15	40.15
Held by Sino Feng, directly and indirectly				
Huixin Mining International Pty Limited ("Huixin")	Investment holding	Republic of South Africa	100	100
Aero Wind Properties Pty Limited ("AWP")	Investment holding	Republic of South Africa	40	40

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 Project"). The issuance of mining licence is pending settlement of rehabilitation deposit amounting to South African Rand 10,091,000 (equivalent to RMB 3,935,000) and provision of mining programme and surveyed plan. The initial mining right period is 20 years upon issuance of the mining licence.

The Group has engaged AP Appraisal Limited, an independent Hong Kong based valuer, to evaluate the fair value of the Thabazimbi Project as at 31 December 2023. Based on income-based approach, the valuation estimated the future cash flows for the period of the estimated operating lifespan of the mine according to the resource estimation and a suitable discount rate in order to calculate the present value.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

12. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) (Continued)

Valuation technique and assumptions

Different values of an independent variable would impact a particular dependent variable under a given set of assumptions, especially iron ore price, discount rate and total amount of resource adopted in the valuation. The discounted cash flows included 30 years of exploring and mining period with revenue generation from year 2026 and assumed the mining licence can be successfully renewed for 10 years upon expiry in 20th year. The key assumptions applied in discounted cash flows which are considered significant unobservable inputs are disclosed as below:

	Group and Company		Inter-relationship between input and fair value
	31 December 2023	31 December 2022	
Saleable product	61 million tonnes	61 million tonnes	Positive
Average selling price of per tonne of iron ore *	USD 95.11	USD 90.07	Positive
Operating expenditure per tonne	USD 43.58	USD 41.78	Inverse
Capital expenditure	USD 267 million	USD 263 million	Inverse
Discount or weighted average cost of capital rate	14.42%	14.00%	Inverse
Minority discount	25.00%	25.00%	Inverse
Exchange rate (USD: RMB)	7.0827	6.9646	Positive

* Based on market-derived futures price for iron ore for the initial 4 years as at valuation date, thereafter projected based on average / median of 10 years historical prices.

Inter-relationship between key unobservable inputs and fair value measurement:

(i) Inverse: The unobservable inputs to the discounted cash flows model have an inverse relationship to the valuation, i.e. the higher the input, the lower the fair value.

(ii) Positive: The unobservable inputs to the discounted cash flows model have a positive relationship to the valuation, i.e. the higher the input, the higher the fair value.

(iii) The estimated fair value would increase / (decrease) if:
- Saleable product and selling price of iron ore were higher (lower)
- Operating and capital expenditure were lower (higher)
- Discount rate or weighted average cost of capital rate were lower (higher)
- Contingency allowance were lower (higher)
- Minority discount were lower (higher)
- Exchange rate were higher (lower)

Outcome of fair value measurement

Based on the valuation report issued by the valuer, the fair value of the financial assets at FVOCI as at 31 December 2023 is measured at USD 6,950,000 (2022: USD 8,151,000), which is equivalent to RMB 49,225,000 (2022: RMB 56,767,000). The Group and the Company recognised a net fair value loss amounting to RMB 7,542,000 (fair value gain in 2022: RMB 1,167,000) during the current year. There has been no disposal of such equity investment designated at FVOCI during the financial year.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

12. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) (Continued)

Sensitivity analysis

The change in fair value is most sensitive to the market demand and selling price for the future sales of iron ore during the 30 years of exploring and mining period, which is determined based on following key assumptions:

- The selling price is estimated using the forecast of futures commodity price of iron ore.
- The discount rate for the equity interests is the weighted average cost of capital of a comparable mix of debt and equity.

The following table shows the impact on the fair value of the investment as at 31 December 2023 if the key assumptions (selling price or discount rate) deviate by 1% and 0.1% respectively:

Percentage change in iron ore price	Average iron ore price (USD / tonne)	Fair value of FVOCI (RMB)	Increase / (Decrease) in fair value loss (RMB)
+1%	USD 96.07 / tonne	53,064,000	(3,839,000)
0%	USD 95.11 / tonne	49,225,000	-
-1%	USD 94.16 / tonne	45,471,000	3,754,000

Absolute change in discount rate	Applied discount rate	Fair value of FVOCI (RMB)	Increase / (Decrease) In fair value loss (RMB)
+0.1%	14.52%	48,030,000	1,195,000
0%	14.42%	49,225,000	-
-0.1%	14.32%	50,504,000	(1,279,000)

The following table shows the impact on the fair value of the investment as at 31 December 2022 if the key assumptions (selling price or discount rate) deviate by 1% and 0.1% respectively:

Percentage change in iron ore price	Average iron ore price (USD / tonne)	Fair value of FVOCI (RMB)	Increase / (Decrease) in fair value gain (RMB)
+1%	USD 91.88 / tonne	61,247,000	4,480,000
0%	USD 90.97 / tonne	56,767,000	-
-1%	USD 90.06 / tonne	52,288,000	(4,479,000)

Absolute change in discount rate	Applied discount rate	Fair value of FVOCI (RMB)	Increase / (Decrease) In fair value gain (RMB)
+0.1%	14.10%	55,249,000	(1,518,000)
0%	14.00%	56,767,000	-
-0.1%	13.90%	58,311,000	1,544,000

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

12. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) (Continued)

Classification under non-current assets

As disclosed in Note 2.2(c), subsequent to reporting date, Sino-Africa has entered into an agreement for disposal of the above investment by Huixin, which is pending completion as of the date of authorisation of these financial statements. As announced on SGXNet on 30 May 2024, the disposal transaction is led by Sino-Africa and the Company does not take part in structuring of or negotiation relating to the transaction. As at 31 December 2023, the "held for sale" criteria under IFRS 5 is not fulfilled or relevant and the investment continues to be classified under non-current assets.

13. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL) – STRUCTURED DEPOSITS

The financial asset at fair value through profit or loss as at 31 December was as follows:

	Group	
	2023	2022
	RMB'000	RMB'000
At beginning of the year	-	15,770
Addition	27,250	66,540
Redemption	(27,330)	(82,461)
Changes in fair value recognised in profit or loss (Note 30)	80	151
At end of the year	-	-

The Group invested in non-principal protected financial products with a top 20 commercial banks in the PRC. The investment does not have any fixed maturity term or coupon interest rates or yield return. For those investment redeemed during the year, the yield earned was ranging from 1.14% to 1.16% (2022: 1.90% to 2.90%) per annum, amounting to approximately RMB 80,000 (2022: RMB 151,000) included in "Other income" (Note 30).

These financial assets are mandatorily measured at FVPL.

14. INVENTORIES

	Group	
	2023	2022
	RMB'000	RMB'000
Finished goods	1	3,028
Consumables:		
- Fuel, chemical and packing supplies	250	856
- Fertilisers and general materials	141	185
- Others	19	50
Total inventories	411	4,119

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

14. INVENTORIES (Continued)

The cost of inventories recognised as expense and included in cost of sales amounted to RMB 7,466,000 (2022: RMB 44,724,000), which is net of fair value gain on biological assets as detailed below.

Information relating to biological assets: pomegranate fruits

	Group	
	2023	2022
	RMB'000	RMB'000
At beginning of year	-	-
Gain arising from changes in fair value less costs to sell [i]	1,455	13,376
Transfer of harvested fresh fruit to inventories – 0.2 tonnes (2022: 1.8 tonnes)	(1,455)	(13,376)
At end of year	-	-

[i] Determined at point of harvest, based on local published market price of pomegranate fruits, determined to be Level 2 fair value within the three-level fair value hierarchy as defined in IFRS 13, fair value measurement. During the year, there was no transfer occurred between levels in the hierarchy.

Material accounting policy

Agricultural produce harvested from bearer plants is measured at their fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying IAS 2 Inventories. A gain or loss arising from agricultural produce at the point of harvest at fair value less costs to sell is included in profit or loss for the period in which it arises.

15. TRADE RECEIVABLES

	Group	
	2023	2022
	RMB'000	RMB'000
Trade receivables	2,422	6,100
Less: Allowance for impairment losses (Note 3(ii))	(956)	(937)
	1,466	5,163

Trade receivables are unsecured, non-interest bearing and are generally on 45-60 days' credit terms.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Advances to staff	39	103	-	-
Other receivables [(i)]	9,180	5,604	1,179	114
Less: Allowance for impairment (Note 3(ii)) [(vi)]	(5,139)	(5,000)	(129)	-
	4,041	604	1,050	114
Deposits paid to corporate guarantors[(ii)]	1,500	2,925	-	-
Prepayment [(iii)]	6,058	6,197	53	95
Less: Allowance for impairment (Note 3(ii)) [(vi)]	(2,522)	-	-	-
	3,536	6,197	53	95
Prepaid rental [(iv)]	-	83	-	-
Rental deposits [(iv)]	328	328	-	-
Less: Allowance for impairment (Note 3(ii)) [(vi)]	(23)	-	-	-
	305	328	-	-
Prepaid business and related tax	2,396	2,573	-	-
Prepaid construction costs [(v)]	-	1,073	-	-
	11,817	13,886	1,103	209

Notes:

(i) Included in other receivables of the Group is:

- remaining balance of government compensation from land reclamation of RMB 2,450,000 (2022: nil) (Note 30)
- gross amount of RMB 5,000,000 (2022: RMB 5,000,000) from Xinxiang Hongjing Zhiye Co., Ltd (新乡宏景置业有限公司)("Hongjing") representing the remaining proceeds of land disposal, which has been fully impaired since financial year 2015 as it did not adhere to instalments plan previously agreed.

Included in other receivables of the Group and the Company is a net amount owing by a third party of RMB956,000 (stated after ECL allowance of RMB 106,000 recognised during the current financial year) representing payments on behalf which is contractually overdue since October 2023.

(ii) Deposits paid to third party guarantors relate to corporate guarantee granted to the Group to secure term loans borrowings as disclosed in Note 22(i).

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes (Continued):

(iii) Included in prepayment of the Group comprise upfront payments made to suppliers in relation to supply of goods and services. Out of which, an amount of RMB 3,866,000 as at 31 December 2023 represents balance in discontinued operation (Note 35) that the Group is currently seeking refund in cash, for which an ECL of RMB 2,495,000 has been recognised during the current financial year.

(iv) The rental paid in advance for short-term lease and rental deposit of the Group relate to the current corporate office located in Henan, PRC.

(v) Prepaid construction costs relate to the advances paid to sub-contractors to construct new processing plant. The construction has been completed and transferred into property, plant and equipment during the year.

(vi) The total allowance for impairment of RMB 2,684,000 recognised during the year consist of the portion in continuing and discontinued operation (Note 35) amounting to RMB 137,000 and RMB 2,000 for other receivables, RMB 27,000 and RMB 2,495,000 for prepayments, and RMB 23,000 and Nil for rental deposits respectively.

17. AMOUNTS DUE FROM / (TO) RELATED PARTIES (NON-TRADE)

	Group	
	2023	2022
	RMB'000	RMB'000
Included in current assets:		
Amounts due from holding company (i)	-	11,662
Amounts due from other related parties (ii)	171	168
Less: Allowance for impairment (Note 3(ii))	(171)	(168)
	-	-
Total amount due from related parties	-	11,662
Included in non-current liabilities:		
Amounts due to related parties – KMP of subsidiaries (iii)	(159)	(139)
Amounts due to other related parties (ii) (iii)	(3,195)	(10,971)
Total amount due to related parties	(3,354)	(11,110)

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

17. AMOUNTS DUE FROM / (TO) RELATED PARTIES (NON-TRADE) (Continued)

Notes:

(i) Holding company is 100% owned by Mr. Guo Ying Hui who personally guarantees the repayment of these receivables within the next 12 months.

(ii) The other related parties refer to the entities controlled by Mr. Guo Ying Hui.

(iii) The Group has unconditional right to defer repayments from amount due to related parties that beyond 12 months as Mr. Guo Ying Hui and the KMP of subsidiaries have agreed and undertaken not to recall for payment for these balances within the next 12 months.

These non-trade balances are unsecured, non-interest bearing and repayable on demand, except as disclosed in (iii) above.

Impairment:

During the current financial year, the Group recognised an impairment loss of RMB 3,000 (2022: RMB 14,000) to profit or loss (Note 3(ii)) on amount due from related parties.

Reconciliation of liabilities arising from financing activities

	Group	
	2023 RMB'000	2022 RMB'000
At beginning of the year	11,110	23,025
Financing cash flows:		
Advances from and payments on behalf by related parties (non-trade)	4,081	10,285
Repayment to related parties (non-trade)	(123)	(22,200)
Non-cash changes:		
Reclassification from related party to other payable	(17)	-
Offsetting with amount due from related parties (i)	(11,697)	-
At end of the year	3,354	11,110

(i) On 31 December 2023, the Group and the Company entered into an agreement with the controlled entities of Mr. Guo Ying Hui to execute the offset of amount due from related parties of RMB 11,697,000 (the Group), with amount due to related parties of the Group and the Company of RMB15,051,000 and RMB 907,000 respectively.

18. AMOUNTS DUE FROM SUBSIDIARY (NON-TRADE) AMOUNTS DUE TO SUBSIDIARIES (NON-TRADE)

These non-trade balances are unsecured, non-interest bearing and repayable on demand.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

19. PLEDGED BANK DEPOSITS

The Group has pledged certain deposits to the state-owned commercial banks in PRC to secure their grants of mortgage loans to the buyers of the Group's properties as disclosed in Note 37(i). These deposits carry interest rate ranging from 0% to 0.3% (2022: 0% to 0.3%) per annum. The pledged bank deposits will be released upon the issuance of ownership certificates of the mortgaged properties.

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank	7,331	15,071	786	728
Cash on hand	22	24	-	-
	7,353	15,095	786	728

As at 31 December 2023, the Group has cash and cash equivalents deposited with banks in the PRC denominated in RMB amounting to approximately RMB 6,480,000 (2022: RMB 14,076,000). The RMB is not freely convertible into foreign currencies. Under the People's Republic of China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

21. ACCRUALS AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Other payables				
- Construction cost payables (i)	1,956	1,926	-	-
- Contract liabilities (Note 29(b))	-	101	-	-
- Others	3,431	7,700	1,032	1,012
Accrued expenses				
- Accrued business and related taxes	2,268	2,303	-	-
- Other accrued expenses (ii)	846	928	120	-
	8,501	12,958	1,152	1,012

Notes:

(i) The construction cost payables are for completed processing factory of the agriculture segment.

(ii) Other accrued expenses of the Group and the Company include directors' fees payable amounting to RMB 120,000 (2022: RMB Nil).

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

22. BORROWINGS

	Term loans RMB'000 (Note (i))	Lease liabilities RMB'000 (Note (ii))	Total RMB'000
Group			
2023			
Current liabilities			
Due within one year	26,291	2,779	29,070
Non-current liabilities			
Due after one year less than five years	381	8,777	9,158
Due after five years	-	27,836	27,836
	381	36,613	36,994
	26,672	39,392	66,064
2022			
Current liabilities			
Due within one year	28,856	7,463	36,319
Non-current liabilities			
Due after one year less than five years	720	15,707	16,427
Due after five years	-	38,137	38,137
	720	53,844	54,564
	29,576	61,307	90,883

(i) Term loans

	Group	
	2023 RMB'000	2022 RMB'000
Due within one year		
Loan 1 (Unsecured)	10,000	8,000
Loan 2 (Unsecured)	5,000	10,000
Loan 3 (Unsecured)	10,000	10,000
Loan 4 (Unsecured)	571	-
Loan 5 (Secured)	720	856
	26,291	28,856
Due after one year less than five years		
Loan 4 (Unsecured)	381	-
Loan 5 (Secured)	-	720
	381	720

22. BORROWINGS (Continued)

(i) Term loans (Continued)

Loan 1 (Unsecured)

This term loan of RMB 10,000,000 bears interest at 0.45% per annum above the bank's 1-year loan prime rate (LPR) and is payable on 21 June 2024. The loan is secured by way of corporate guarantee by third-party guarantor company; personal guarantee by Mr. Guo Ying Hui and his immediate family; and a director of certain subsidiaries.

As for the term loan as at 31 December 2022 of RMB 8,000,000, the Group has fully paid it upon maturity on 23 June 2023.

Loan 2 (Unsecured)

This term loan of RMB 5,000,000 was successfully extended for one year to 23 January 2024 and bears interest at 2.39% per annum above the bank's 1-year LPR. The loans are secured by way of corporate guarantee by third-party guarantor company; personal guarantee by Mr. Guo Ying Hui and a director of the Company and a director of certain subsidiaries.

As for the remaining term loan as at 31 December 2022 of RMB 5,000,000, the Group has fully paid it upon maturity on 7 April 2023.

Loan 3 (Unsecured)

This unsecured term loan of the Group with an initial term of 3 years granted by a government agency in the PRC of RMB 10,000,000 bears interest at 7% per annum.

The loan has matured in April 2022, and the Group has the right to extend based on the terms of the original agreement for a further 3 years. Due to the restructuring of the government agency, the Group has yet to enter into an agreement to extend the loan. The lender does not demand for repayment and the Group is in the progress of restructuring the loan.

Loan 4 (Unsecured)

The unsecured term loan of RMB 1,000,000 bears interest at 0.92% per annum above the bank's 1-year loan LPR and is repayable in equal instalments over 21 months till August 2025. The loan is secured by way of personal guarantee by a director of certain subsidiaries.

Loan 5 (Secured)

This mortgage loan of RMB 2,327,000 was obtained by a subsidiary from a third-party finance company, which is secured by way of pledge over the Group's equipment (Note 6). The loan is repayable in equal instalments over 33 months till September 2024 and interest is payable at 7.63% per annum.

(ii) Lease liabilities

The total cash outflows for the year for all lease contracts amounted to RMB 5,448,000 (2022: RMB 4,294,000), which includes short-term lease expenses not included in lease liabilities, as disclosed in Note 33.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

22. BORROWINGS (Continued)

(ii) Lease liabilities (Continued)

Reconciliation of liabilities arising from financing activities

		Financing cash flows		Non-cash changes: Accretion of interest		Non-cash changes			
Group	As at 1 January	Repayment of principal and interest	Additional drawdown	Charged to profit or loss (Note 32(b))	Capitalised in bearer plant (Note 7)	Reassessment of lease liabilities	Lease modification [ii]	Offset with government compensation	As at 31 December
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2023									
Term loans	29,576	(15,545)	11,000	1,625	16	-	-	-	26,672
Lease liabilities [i]	61,307	(4,379)	-	2,682	514	(157)	(16,229)	(4,346)	39,392
	90,883	(19,924)	11,000	4,307	530	(157)	(16,229)	(4,346)	66,064
2022									
Term loans	26,074	(16,229)	18,000	1,574	157	-	-	-	29,576
Lease liabilities [i]	57,224	(3,266)	-	1,378	1,971	4,192	(192)	-	61,307
	83,298	(19,495)	18,000	2,952	2,128	4,192	(192)	-	90,883

Notes:

(i) Interest expense on lease liabilities has been allocated to costs of sales and finance expenses amounting to RMB 2,476,000 (2022: RMB 1,165,000) and RMB 206,000 (2022: RMB 213,000) (Note 32(b)) respectively.

(ii) Lease modification for termination of leases of farmlands affected by government land reclamation (as disclosed in Note 7).

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

23. DEFERRED TAX ASSETS

Unrecognised tax losses

The PRC subsidiaries have tax losses of approximately RMB 70,655,000 (2022: RMB 72,594,000) that is available for offset against its future taxable profits subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation.

The tax losses of the PRC subsidiaries expire by end of 5 years from the losses recorded, as follows:

	Group			
	2023		2022	
	RMB'000	Expiring in	RMB'000	Expiring in
Tax losses arising from financial year of:				
2018	-	-	10,665	2023
2019	15,150	2024	15,150	2024
2020	24,326	2025	24,326	2025
2021	15,263	2026	15,263	2026
2022	7,190	2027	7,190	2027
2023	8,726	2028	-	-
	70,655		72,594	

Notes:
No deferred tax asset is recognised on the above unutilised tax losses due to uncertainty of its recoverability as the PRC subsidiaries are dormant and has no income-generating assets or business.

Unrecognised temporary differences relating to investment in a subsidiary

Temporary differences of RMB 85,784,000 (2022: RMB 137,325,000) have not been recognised for the withholding and other taxes that will be payable on the retained earnings of PRC subsidiaries when remitted to the Company as it is not probable that the subsidiary will declare dividends in view of the cash position.

The deferred tax liability is not recognised for undistributed profits is estimated to be RMB 3,819,000 (2022: RMB 6,866,000).

24. ISSUED CAPITAL

	Group and Company			
	2023		2022	
	Number of ordinary shares	S$'000	Number of ordinary shares	S$'000
Authorised shares at beginning and end of the year	62,500,000,000	500,000	62,500,000,000	500,000

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

24. ISSUED CAPITAL (Continued)

Movements of the issued and paid-up capital of the Group and the Company as follows:

	Group and Company			
	2023		2022	
	Number of ordinary shares	RMB'000	Number of ordinary shares	RMB'000
Issued and paid-up shares at beginning of the year	408,000,000[(i)]	15,806	338,000,000[(i)]	13,142
Issued during the year	-	-	70,000,000[(ii)]	2,664
Issued and paid-up shares at end of the year	408,000,000	15,806	408,000,000	15,806

Notes:

(i) Inclusive of 11,500 treasury shares (Note 26).

(ii) On 3 March 2022 and 7 June 2022, the Company completed the share placement to 3 corporate entities and 3 individuals by issuing a total of 35,000,000 new shares for S$0.042 each and 35,000,000 new shares for S$0.043 per share in cash with a resulting share premium of RMB 11,561,000 (Note 25). The newly issued shares rank pari passu in all respects with previously issued shares.

25. SHARE PREMIUM

	Group and Company	
	2023	2022
	RMB'000	RMB'000
At beginning of the year [(i) (ii) (iii) (iv) (v) (vi)]	271,358	259,797
Issued during the year [(vi)]	-	11,561
At end of the year	271,358	271,358

Notes:

(i) Share premium of RMB 204,521,000 arose from the issue of shares pursuant to its initial public offer on SGX-ST.

(ii) Share premium of RMB 19,573,000 arose from the issue of 146,000,000 ordinary shares at an issue price of S$0.09 for the acquisition of Climbing Ace Limited and its subsidiaries in the financial year ended 31 December 2008.

(iii) Share premium of RMB 500,000 arose from the issue of 195,600,000 ordinary shares at an issue price of S$0.063 per share pursuant to a private share placement.

(iv) Share premium of RMB 4,151,000 arose from the issue of 29,300,000 ordinary shares at an issue price of S$0.036 per share pursuant to a private share placement.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

25. SHARE PREMIUM (Continued)

Notes (Continued):

(v) Share premium of RMB 31,052,000 arose from the issue of 162,000,000 ordinary shares at a deemed issue price of S$0.049 per share as the consideration for acquisition of subsidiaries.

(vi) Share premium of RMB 11,561,000 arose from the issue of 35,000,000 ordinary shares at a deemed issue price of S$0.042 per share and 35,000,000 ordinary shares at a deemed issue price of S$0.043 per share pursuant to a private share placement, completed in last financial year.

Under the Companies Law (revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

26. TREASURY SHARES

	Group and Company			
	2023		2022	
	Number of ordinary shares	RMB'000	Number of ordinary shares	RMB'000
At beginning and end of the year	11,500	18	11,500	18

Treasury shares relate to ordinary shares of the Company that is held by the Company.

27. RESERVES

(a) The distributable reserve is in connection to the surplus arising from the Capital Reduction carried out in 2013.

(b) Capital reserve relates to capitalisation of amount due to a director and substantial shareholder of a subsidiary in previous years. It is not distributable as dividends.

(c) In accordance with the Company Law applicable to the subsidiaries in the PRC, the subsidiaries, are required to make an appropriation to a statutory reserve ("SR"). At least 10% of the statutory after-tax profits, as determined in accordance with the applicable PRC accounting standards and regulations is required to be allocated to the SR.

The appropriation to statutory reserve, after offsetting against any accumulated losses, must be made before the distribution of dividends to shareholders. The appropriation is required until the statutory reserve reaches 50% of the registered capital. This statutory reserve is not distributable in the form of cash dividends.

28. FAIR VALUE DEFICIT

Fair value deficit arises from net changes in fair value of financial assets at FVOCI (Note 12). The deficit, which is relating to the equity investment designated to be measured at FVOCI, will be transferred to retained earnings / accumulated losses upon disposal of the investment.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

29. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) The Group derives revenue from the sales of self-cultivated agricultural produce and sales of fruits that sourced from third parties at a point in time.

	Group	
	2023	2022
	RMB'000	RMB'000 (Re-presented)
Sales of self-cultivated agricultural produce – pomegranate fruit	1,219	15,585
Sales of fruits	7,273	18,906
	8,492	34,491

(b) Contract liabilities mainly relates to advance consideration received from customers for sale of consumer goods. Significant changes in the contract liabilities balance during the year are:

	Group	
	2023	2022
	RMB'000	RMB'000 (Re-presented)
At beginning of the year	101	-
Consideration received from end customers during the year	-	101
Recognised as revenue	(101)	-
At end of the year (Note 21)	-	101

(c) Material accounting policy

The Group supplies and sells agricultural products sourced from third parties via a fruit distribution centre. Revenue from sale of fruits is recognised upon transfer of control to the end customers usually at the point in time when the goods have been delivered to customers and upon their acceptance. For payments received for which goods has yet to be delivered as at reporting date, the amounts are classified as contract liabilities within "Accruals and other payables".

Revenue from sales of pomegranate fruit and other fruits is recognised upon transfer of control to the customers usually at the point in time when the goods have been delivered to customers and upon their acceptance. Sales are made with credit terms of 45-60 days. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

30. OTHER INCOME

	Group	
	2023 RMB'000	2022 RMB'000 (Re-presented)
Compensation from insurance	1,964	1,407
Foreign exchange gain, net	-	129
Fair value gain on financial assets, at FVPL – structured deposits (Note 13)	80	151
Gain from lease modification	1,419	61
Government compensation for land reclamation *	11,348	-
Government compensation for grid transmission project	303	-
Government grant	81	60
Rental income	300	810
Referral fees received from third party	-	118
Sales of minerals	-	25
Trade and other payables written off ^	4,750	283
Others	243	263
	20,488	3,307

* The land reclamation for highway construction is entitled for a total compensation of RMB 11,348,000 from government. During the year, the Group has received a total of RMB 4,552,000 and RMB 4,346,000 is used to offset with lease payment of land.

^ Representing Trade and other payables of the Group's now-dormant property development segment that were either de-registered or with no movements exceeding 7 years.

31. OTHER EXPENSES

	Group	
	2023 RMB'000	2022 RMB'000 (Re-presented)
Property, plant and equipment written off	593	-
Inventory written off	884	-
Bearer plants written off (Note 7)	62,964	-
Impairment of non-financial assets (Note 7)	9,409	-
Foreign exchange loss, net	48	-
Loss on disposal of property, plant and equipment	54	15
Depreciation of idle equipment	483	541
Others	271	89
	74,706	645

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

32(a). FINANCE INCOME

	Group	
	2023 RMB'000	2022 RMB'000 (Re-presented)
Under effective interest rate method for financial assets at amortised cost		
- Interest income – bank balance	98	16

32(b). FINANCE EXPENSE

	Group	
	2023 RMB'000	2022 RMB'000 (Re-presented)
Interest expense on lease liabilities (Note 22(ii))	206	213
Interest expense on term loans (Note 22(ii))	1,625	1,574
Others		
- Corporate guarantee expenses	369	332
	2,200	2,119

33. LOSS BEFORE TAX

In addition to the information disclosed elsewhere in the financial statements, this item is also determined after charging the following:

	Group	
	2023 RMB'000	2022 RMB'000 (Re-presented)
Staff costs (including Directors' remuneration and fees)		
- Short-term benefits	7,178	7,490
- Post-employment benefits: defined contribution	359	467
Depreciation of property, plant and equipment *	4,389	4,930
Depreciation of bearer plants (Note 7)	2,926	1,541
Depreciation of right-of-use assets (Note 8)	3,036	1,739
Amortisation of land use rights (Note 9)	2	2
Amortisation of intangible assets (Note 10)	118	118
Entertainment expenses	231	159
Bearer plants written off (Note 7)	62,964	107
Impairment of non-financial assets (Note 7)	9,409	-
Legal and professional fees	504	1,197
Lease expenses not included in lease liabilities:		
- Short-term leases	1,069	1,028
Non-lease component under lease contract	100	107

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

33. LOSS BEFORE TAX (Continued)

The short-term lease expenses for the next financial year payable on the existing leases or leases renewed at date of this report totaled RMB 80,000 (2022: RMB 1,160,000).

* Depreciation of property, plant and equipment exclude the depreciation from discontinued operation of RMB 12,000 (2022: RMB 9,000) which has been included in loss from discontinued operation in profit or loss (Note 35).

34. TAX EXPENSE / (CREDIT)

	Group	
	2023 RMB'000	2022 RMB'000 (Re-presented)
Corporate income tax [(i), (ii)]		
- Current year	299	-
- Over-provision in prior year	-	(507)
Tax expense / (credit) on continuing operations	299	(507)

Notes:

Taxation of the Group comprises corporate income tax and land appreciation tax in the PRC.

(i) Corporate income tax is provided at the applicable income tax rate, subsidiaries of the Company established in the PRC are subject to the income tax rate of 25% (2022: 25%) of their assessable profits. No income tax was payable in respect to the subsidiary in Singapore, as it is dormant during the current and preceding years. The Company and certain subsidiaries operate from tax-free jurisdictions.

(ii) The following subsidiaries enjoy full exemption of Corporate Income Tax in respect of income generated from cultivation of agricultural products.
- Henan Zhongnong Huasheng Agriculture Science and Technology Co. Ltd.
- Zhengzhou Rundong Fruit Forest Co., Ltd.
- Gongyi Zhongnong Huasheng Agriculture Science and Technology Co., Ltd.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

34. TAX EXPENSE / (CREDIT) (Continued)

The tax expense / (credit) for the year can be reconciled to the loss before tax for continuing operations as follows:

	Group	
	2023	2022
	RMB'000	RMB'000
		(Re-presented)
Accounting loss before tax for continuing operations	(81,195)	(7,956)
Taxation at the PRC corporate income tax rate of 25% (2022: 25%)	(20,299)	(1,989)
Effect of different tax rates in tax-free jurisdiction / tax-exempt operation	19,421	985
Effect of expenses not deductible for tax purpose	339	290
Effect of income not taxable for tax purpose	(584)	(775)
Deferred tax assets not recognised on tax losses	1,422	1,489
Over-provision in prior year	-	(507)
Tax expense / (credit) for the year	299	(507)

35. DISCONTINUED OPERATION

In April, the Group ceased one of the subsidiary's trading business from internet platform. The business was not previously presented as a discontinued operation or classified as held for sale as at 31 December 2022. Thus, the comparative statement of profit or loss has been re-presented to show the discontinued operation separately from continuing operations.

	Group	
	2023	2022
	RMB'000	RMB'000
Results of discontinued operation		
Revenue – sale of goods	1,030	25,888
Cost of sales	(1,076)	(25,183)
Gross (loss)/profit	(46)	705
Selling and distribution expenses	(12)	(807)
General and administrative expenses	(14)	(30)
Impairment of financial assets, net (Note 16(vi))	(2,497)	-
Inventory written off	(441)	-
Finance income	-	2
Finance expense	(27)	-
Loss before tax	(3,037)	(130)
Income tax expense	(1)	-
Loss for the year from discontinued operation	(3,038)	(130)

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

35. DISCONTINUED OPERATION (Continued)

Of the loss from discontinued operation of RMB 3,038,000 (2022: RMB 130,000), an amount of RMB 1,917,000 (2022: RMB 82,000) was attributable to the equity holders of the Company.

Of the loss from continuing operations of RMB 81,494,000 (2022: RMB 7,449,000), an amount of RMB 53,385,000 (2022: RMB 8,373,000) was attributable to the equity holders of the Company.

36. LOSS PER SHARE

	2023	2022
Loss attributable to equity holders of the Company (RMB'000)	(55,302)	(8,455)
Weighted average number of ordinary shares outstanding (excluding 11,500 treasury shares) for basic loss per shares ('000)	407,989	386,317
Basic and diluted [(i)] loss per share		
- RMB cents	(13.55)	(2.19)
- SGD cents [(ii)]	(2.57)	(0.45)

Notes:

(i) The Company has no dilutive potential ordinary shares for the financial year ended 31 December 2023 and 2022 and there was no ordinary share that may issue as there are no share option outstanding as at 31 December 2023 and 2022.

(ii) Calculated based on average exchange rate of S$1: RMB 5.27 (2022: RMB 4.89).

37. CONTINGENT LIABILITIES AND COMMITMENTS

(i) Financial guarantee contracts issued

In accordance with industry practice, the Group provided guarantees to certain domestic PRC banks for mortgage loans taken by certain buyers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these buyers, the banks are entitled to deduct the amounts of due and outstanding mortgage payments (with accrued interests and penalties) from the bank balances of the Group pledged for this purpose (Note 19). The Group's guarantee periods commence from the dates of grants of the relevant mortgage loans and end at the earlier of (a) the execution of pledge of the individual property ownership certificate of the property purchased to the banks; and (b) full payments by the buyers. For one of the banks, the guarantee period ends 2 years after the execution of pledge of title. In the event that the Group repaid the defaulted mortgage loan of the buyers in full, the banks will transfer the pledge of title to the Group.

As at 31 December 2023, the notional amount of the mortgage loans guaranteed amounted to approximately RMB 4,001,000 (2022: RMB 4,751,000); and the Group's bank deposits amounting to RMB 69,000 (2022: RMB 119,000) has been pledged for this purpose (Note 19).

The Group does not charge any fees or premium to those buyers for the guarantees and determined that the fair value at inception cannot be reliably determined. Hence the financial guarantee contracts are measured at the amount of ECL determined based on IFRS 9. Based on the management's assessment, there is no material ECL on these financial guarantees, taking into account:

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

37. CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

(i) Financial guarantee contracts issued (Continued)

(a) The mortgage loans were made within the guidelines agreed between the Group and the banks, which does not exceed 50-70% of the total purchase price;

(b) For defaults during the periods prior to issuing of individual property ownership certificate, or situations whereby the Group repaid the bank in full, the Group is entitled to sell the properties as a recourse and the Group expects that the then market price of the underlying properties would be adequate to recover the loss;

(c) Low default rate in the past and the ability of the Group to obtain reimbursement from the defaulted house buyers for the Group's bank balances deducted by the banks.

There is no default reported during financial years 2023 and 2022 and management does not expect material ECL on these financial guarantees in the next twelve months after the reporting date, taking into account of above (a) and (b).

(ii) Capital commitment

As at 31 December 2023, capital expenditure contracted for but not recognised in the financial statements, is as follows:

	Group	
	2023	2022
	RMB'000	RMB'000
Property, plant and equipment		
- Processing factory in progress	-	6,027

38. SEGMENT 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.

Information reported to the Group's Chairman for the purpose of resource allocation and assessment of performance is focused on segments with principal activities are as follows:

(i) Agriculture
Plantation and cultivation of pomegranate, as well as trading, distributing, importing and exporting agriculture products and agriculture-related products.

(ii) Mining
Investment in mining business for capital gain or future dividend income.

Other business activities include investment holding companies, unallocated corporate functions and inactive companies. Treasury investment activities, mainly investment in structured deposits (Note 13) are included in "Others".

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 39.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

38. SEGMENT INFORMATION (Continued)

(i) Business Segments

The information for the reportable segments for the financial year ended 31 December 2023 and 2022 is as follows:

Group	Agriculture RMB'000	Mining RMB'000	Total RMB'000
2023			
Segment revenue from external customers	8,492	-	8,492
Segment loss, representing loss before tax	(76,193)	-	(76,193)
2022 (Re-presented)*			
Segment revenue from external customers	34,491	-	34,491
Segment profit, representing profit before tax	2,507	-	2,507

* The Group information is re-presented due to classification of discontinued operation as disclosed in Note 35.

	Agriculture RMB'000	Mining RMB'000	Total RMB'000
2023			
Amounts included in the measure of segment loss / (profit):			
Depreciation of property, plant and equipment	4,232	-	4,232
Depreciation of bearer plants	2,926	-	2,926
Depreciation of right-of-use assets	3,036	-	3,036
Amortisation of intangible assets	118	-	118
Impairment loss on financial assets	806	-	806
Reversal of impairment loss on financial assets	(522)	-	(522)
Interest income	(4)	-	(4)
Interest expense	2,200	-	2,200
Bearer plants written off	62,964	-	62,964
Impairment of non-financial assets	9,409	-	9,409
Trade and other payables written off	(33)	-	(33)
Gain from lease modification	(1,419)	-	(1,419)
Assets			
Segment assets	126,910	49,225	176,135

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

38. SEGMENT INFORMATION (Continued)

(i) Business Segments (Continued)

	Agriculture RMB'000	Mining RMB'000	Total RMB'000
2023			
Amounts included in the measure of segment assets:			
Capital expenditure on bearer plants	478	-	478
Additions to property, plant and equipment	2,559	-	2,559
Financial assets, at FVOCI			
- unquoted equity	-	49,225	49,225
Liabilities			
Segment liabilities	(71,516)	-	(71,516)
2022 (Re-presented)*			
Amounts included in the measure of segment loss / (profit):			
Depreciation of property, plant and equipment	4,685	-	4,685
Depreciation of bearer plants	1,541	-	1,541
Depreciation of right-of-use assets	1,739	-	1,739
Amortisation of intangible assets	118	-	118
Impairment loss on financial assets	994	-	994
Reversal of impairment loss on financial assets	(57)	-	(57)
Interest expense	2,119	-	2,119
Bearer plants written off	107	-	107
Assets			
Segment assets	230,723	56,767	287,490
Amounts included in the measure of segment assets:			
Capital expenditure on bearer plants	5,765	-	5,765
Additions to property, plant and equipment	89	-	89
Financial assets, at FVOCI			
- unquoted equity	-	56,767	56,767
Liabilities			
Segment liabilities	(99,526)	-	(99,526)

* The Group has been re-presented due to a discontinued operation as disclosed in Note 35.

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

38. SEGMENT INFORMATION (Continued)

(ii) Reconciliation

(a) Segment profits

The following items are added to / (deducted from) segment profit to arrive at "profit / (loss) before income tax" as presented in the consolidated statement of profit or loss and other comprehensive income:

	2023 RMB'000	2022 RMB'000
Segmental (loss) / profit from the reportable segments	(76,193)	2,507
Others – Corporate head office / inactive subsidiaries		
- General and administrative expenses	(9,527)	(11,180)
- Selling and distribution expenses	(48)	(48)
- Impairment loss on trade and other receivables	(167)	(14)
- Other income	4,671	869
- Other expenses	(24)	(70)
- Finance income	94	(19)
- Finance expenses	(1)	(1)
Loss before tax and discontinued operation	(81,195)	(7,956)

(b) Other segment information

	2023 RMB'000	2022 RMB'000
<u>Additions to property, plant and equipment</u>		
Segment total	2,559	89
Unallocated:		
- Relates to general and corporate assets	5	390
Consolidated total / Total for continuing operations	2,564	479

	2023 RMB'000	2022 RMB'000
<u>Depreciation of property, plant and equipment</u>		
Segment total	4,232	4,685
Unallocated:		
- Relates to general and corporate assets	157	245
Total for continuing operations	4,389	4,930

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

38. SEGMENT INFORMATION (Continued)

(ii) Reconciliation (Continued)

(b) Other segment information (Continued)

	2023 RMB'000	2022 RMB'000
Impairment loss on financial assets		
Segment total	806	994
Unallocated:		
- Relates to general and corporate assets	167	14
Total for continuing operations	973	1,008

	2023 RMB'000	2022 RMB'000
Interest income		
Segment total	(4)	-
Unallocated:		
- Relates to general and corporate assets	(94)	(16)
Total for continuing operations	(98)	(16)

	2023 RMB'000	2022 RMB'000
Trade and other payables written off		
Segment total	(33)	-
Unallocated:		
- Relates to general and corporate assets	(4,717)	(283)
Consolidated total / Total for continuing operations	(4,750)	(283)

(Amounts in thousands of Chinese Renminbi ("RMB'000") unless otherwise stated)

38. SEGMENT INFORMATION (Continued)

(ii) Reconciliation (Continued)

(c) Segment assets

Segment assets are reconciled to total assets as follows:

	2023 RMB'000	2022 RMB'000
Segment assets for reportable segments	176,135	287,490
Unallocated assets:		
- Property, plant and equipment	273	731
- Intangible assets	36	38
- Inventories	-	1,307
- Trade receivables	-	427
- Other receivables, deposits and prepayments	2,803	2,357
- Amount due from related parties (non-trade)	-	11,662
- Pledged bank deposits	69	119
- Cash and cash equivalents	5,276	12,888
Consolidated total	184,592	317,019

(d) Segment liabilities

Segment liabilities are reconciled to total liabilities as follows:

	2023 RMB'000	2022 RMB'000
Segment liabilities for reportable segments	71,516	99,526
Unallocated liabilities:		
- Trade payables	2,258	2,457
- Accruals and other payables	4,290	8,994
- Amount due to related parties (non-trade)	3,112	10,919
- Income tax payable	2,820	2,453
Consolidated total	83,996	124,349

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES

Group accounting

(i) Subsidiaries

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- had power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of property, plant and equipment including subsequent expenditure is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of property, plant and equipment is required to be replaced in intervals, the Group recognises such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in profit or loss when incurred.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Construction in progress includes all cost of construction and other direct costs. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Construction in progress is reclassified to the appropriate category of property, plant and equipment when complete and ready to use. Construction in progress is not depreciated. All other items of property, plant and equipment are depreciated using the straight-line method to write-off the cost of the assets less estimated residual value over their estimated useful lives

The residual value, estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

The carrying amount of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in profit or loss within "Other income / (expenses)".

Bearer plants

Bearer plants are living plants that are used in the production or supply of agricultural produce, which are expected to bear produce for more than one period. Bearer plants related to agriculture activity are accounted for using the cost model within the scope of IAS 16. Bearer plants comprise mature and immature pomegranate plantations, which are measured as follows:

(a) Immature plantations are stated at cost which consists mainly of accumulated costs of land clearing, planting, fertilising, up-keeping and maintaining the plantation, and allocations of indirect overhead costs up to the time the plants become commercially productive and available for harvest. Costs also including capitalised borrowing costs and other charges incurred in connection with the financing of the development of immature plantations. In general, pomegranate trees take 5 years to reach maturity from the time seedlings are planted.

(b) Mature plantations are stated at cost, less accumulated depreciation and any impairment losses. Depreciation is charged so as to write off the cost of mature plantation on a straight-line basis over the estimated useful lives of 25 years post maturity.

The carrying values of the bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful life and depreciation method are reviewed at each reporting date and adjusted prospectively, if appropriate.

Bearer plants are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the bearer plant is included in profit or loss in the year the asset is derecognised.

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

Biological assets

A biological asset is a living animal or plant managed by an enterprise which is involved in the agricultural activity of the transformation of biological assets for sale, into agricultural produce, or into additional biological assets. The biological assets of the Group relate to the following:

Agricultural produce — Harvested pomegranate

Agricultural produce harvested from bearer plants is measured at their fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying IAS 2 Inventories. A gain or loss arising from agricultural produce at the point of harvest at fair value less costs to sell is included in profit or loss for the period in which it arises.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecasts calculations are generally covering a period of five years. 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 not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

Financial assets and liabilities

(i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. Other financial assets and financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Trade receivables without financing component is initially measured at the transaction price in accordance with IFRS 15. Other financial assets or financial liabilities are initially recognised at fair value plus, in the case of financial assets or liabilities not at fair value through profit or loss, directly attributable transaction costs.

(ii) Classification and subsequent measurement

Financial assets

Financial assets are classified and subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- Amortised costs
- Fair value through Other Comprehensive Income (FVOCI) – Debt investments
- FVOCI – Equity investments
- Fair value through profit or loss (FVPL)

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets, in which case such reclassification will be applied prospectively from the reclassification date.

Financial assets at amortised costs

Unless designated at FVPL, financial assets are measured at amortised costs if:

- It is held within a business model with an objective to hold the assets to collect contractual cash flows; and
- Its contractual cash flows comprise of solely principal and interest on the principal amount outstanding

These assets, mainly trade and other receivables, deposits, pledged bank deposits, amounts due from related parties and cash and cash equivalents, are subsequently measured at amortised costs using the effective interest rate method, which is reduced by impairment losses. Interest income, foreign exchange differences, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

Unless held-for-trading, the Group may irrevocably elect on initial recognition, on an investment-by-investment basis, to present subsequent changes of fair value of the equity investments in OCI.

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses (including changes in fair value) are recognised in OCI which will never be reclassified to profit or loss.

As at 31 December 2023 and 31 December 2022, the Group does not have financial assets, at FVPL or debt investment, at FVOCI.

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial liabilities

Financial liabilities are subsequently measured at amortised costs unless it is held for trading (including derivative liabilities), or designated as financial liabilities at FVPL on initial recognition to significantly reduce accounting mismatch or when a group of financial liabilities are managed whose performance is evaluated on a fair value basis.

Financial liabilities at amortised costs are subsequently measured at amortised costs using the effective interest rate method. Interest expense and foreign exchange differences are recognised in profit or loss. These financial liabilities mainly comprise accruals, trade and other payables, including amounts due to related parties and subsidiaries, borrowings and lease liabilities.

Financial liabilities at FVPL are measured at fair value with net gains and losses (including interest expense) recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

As at 31 December 2023 and 31 December 2022, the Group does not have financial liabilities at FVPL.

(iii) Derecognition

Financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the derecognition date and the sum of the consideration received is recognised in profit or loss.

Financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount of the financial liabilities extinguished, or transferred and the consideration paid (including non-cash transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets

The Group applies impairment model in IFRS 9 to measure the Expected Credit Losses (ECL) of the following categories of assets:

- Financial assets at amortised costs (trade and other receivables, deposits, pledged bank deposits, amounts due from related parties and cash and cash equivalents)
- Financial guarantee contracts

ECLs are probability-weighted estimates of credit losses, which are measured at the present value of all cash shortfalls (difference between the cash flows due to the Group in accordance with the contracts and the cash flows that the Group expects to receive), discounted at effective interest rate of the financial asset. The expected cash flows include cash flows from the sale of collaterals held, if any, or other credit enhancements that are integral to the contractual terms.

Simplified approach

The Group applies simplified approach to all trade receivables. Impairment loss allowance is measured at life time ECL, which represents ECLs that result from all possible default events over the expected life of a financial instrument ('life-time ECL'). The Group considers collective impairment based on historical credit loss experience of customers with common credit characteristics; and considers individual assessment based on credit quality and trading history of respective customers with significant balances, adjusted for forward-looking factors specific to those customers and the economic environment.

General approach

The Group applies general approach on all other financial instruments and financial guarantee contracts, and recognises a 12-month ECL on initial recognition. 12-months ECL are ECLs that result from possible default events within 12 months after the reporting date or up to the expected life of the instrument, if shorter.

Impairment loss allowance or reversals are recognised in profit or loss. Loss allowance on financial assets at amortised cost are deducted from the gross carrying amount of those assets.

<u>Significant increase in credit risk (Stage 2)</u>

For credit exposures for which there has been a significant increase in credit risk since initial recognition, impairment loss allowance is measured at life-time ECL. When a financial asset is determined to have a low credit risk at reporting date, the Group assumes that there has been no significant increase in credit risk since initial recognition. For other cases, the Group uses reasonable and supportable forward-looking information available without undue cost or effort to determine, at each reporting date, whether there is significant increase in credit risk since initial recognition. In assessing whether there has been significant increase in credit risks, the Group takes into account factors such as:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations
- actual or expected significant adverse change in the regulatory, economic, or technological environment that are expected to cause a significant change in the debtor's ability to meet its debt obligations
- an actual or expected significant change in the operating results of the debtors

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Stage 2) (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

If credit risk has not increased significantly since initial recognition or if the credit quality improves such that there is no longer significant increase in credit risk since initial recognition, loss allowance is measured at 12-month ECL.

Definition of default

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligation in full, without recourse by the Group; or
- The financial asset is more than 180 days past due, unless otherwise indicated in credit risk note (Note 3(ii)).

The Group considers a financial asset to be in default when the customer or borrower is unlikely to pay its credit obligation in full, without recourse by the Group. The Group considers a financial guarantee contract to be in default when the customer is unlikely to pay its loan obligations to the bank in full, without recourse by the Group.

Credit-impaired (Stage 3)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off the gross carrying amount of a financial assets to the extent that there is no realistic prospect of recovery, for example when the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the Group, or the debtor has been struck off.

Fair value estimation of financial assets and liabilities

The Group does not currently own any financial instruments that are traded in an active market.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair value of the financial instruments.

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

Fair value estimation of financial assets and liabilities (Continued)

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Rental income arising from operating leases on leasehold lands (Right-of-Use asset) is recognised on a straight-line basis over the lease terms.

(ii) As lessee

At the lease commencement date, the Group recognises a Right-of-Use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and low-value leases as described below.

ROU assets

ROU assets are initially measured at cost, which comprise initial amount of lease liability, any lease payment made at or before commencement date, plus initial direct costs incurred, less lease incentives received. Initial direct costs are costs that would not have been incurred if the lease had not been obtained.

Whenever the Group incurs obligations for costs to dismantle and remove a leased asset, restore the site or the underlying asset to the condition required by the terms and conditions of the lease contract, a provision is recognised and measured under IAS 37; and included in the carrying amount of the ROU assets to the extent that the costs relate to a ROU asset. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from commencement date to the earlier of end of lease terms and useful life of the ROU assets. In addition, the ROU assets are also adjusted for certain remeasurement of lease liability.

ROU assets are presented as a separate line item on the statements of financial position.

At commencement or modification of a contract that contains lease and non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

(ii) As lessee (Continued)

Lease liability

Lease liability is initially measured at the present value of lease payments discounted using interest rate implicit in the lease, or if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate, which is estimated by reference to interest rates from various external financing sources for similar terms such as lease terms, type of assets leases and economic environment.

The following lease payments are included in the measurement of lease liability:

- Fixed payment
- Variable lease payment for farmland that are based on government published wheat-price index, initially measured using the index as at the commencement date

Lease liability is measured at amortised cost using effective interest method. Remeasurement of lease liability (and corresponding adjustment to ROU asset, or to profit or loss when the ROU asset has been reduced to zero) is required when there is:

- a change in future lease payments arising from changes in an index, in which case the initial discount rate is used (lease reassessment);
- a change in the Group's assessment of whether it will exercise an extension or termination option, in which case a revised discount rate is used (lease reassessment); or
- modification in the scope or the consideration of the lease that was not part of the original term and not accounted for as separate lease, in which case a revised discount rate at effective date of modification is used (lease modification).

The Group presents the lease liabilities within "Borrowings" on the statements of financial position.

Exemption / exclusion

The following leases / lease payments are not included in lease liabilities and ROU asset:

- The Group has elected not to recognise ROU asset and lease liabilities for short term leases (defined as leases with a lease term of 12 months or less). For such leases, the Group recognises the lease payments in profit or loss as an operating expense on a straight-line basis over the lease term.

Financial guarantee

In accordance with industry practice, the Group provided guarantees to banks for mortgage loans taken by certain buyers of the Group's properties.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of expected loss computed using the ECL impairment methodology under IFRS 9. ECL for financial guarantees issued are measured as the expected payments to reimburse the banks less any amounts that the Company expects to recover from the buyers.

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried for at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the reporting date are included in current borrowings on the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue.

Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. This includes those costs on borrowings acquired specifically to finance the development of pomegranate plantations, as well as those in relation to general borrowings for working capital purposes. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing cost are capitalised until the assets are substantially completed for their intended use or sale, i.e. when the bearer plants have matured. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interests and other costs that an entity incurs in connection with the borrowing of funds.

Share capital and treasury shares

Proceeds from issuance of ordinary shares are classified as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

When ordinary shares are reacquired ("treasury shares"), the amount of consideration paid including any directly attributable incremental costs is presented as a component within equity, until they are cancelled, sold or reissued. When treasury shares are subsequently cancelled, the cost of the treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company, if the shares are purchased out of earnings of the Company. When treasury shares are subsequently sold, or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the non-distributable capital reserve of the Company.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Unless otherwise mentioned, the Group concludes that it is acting as a principal in the provision of goods or services in its contracts with customers.

The detailed revenue recognition policy for each major revenue stream of continuing operation is disclosed in Note 29.

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

Sale of goods (Discontinued operation – Note 35)
The Group supplies consumer goods via online platforms. Revenue from sale of goods is recognised upon transfer of control to the end customers usually at the point in time when the goods have been delivered to customers and upon their acceptance. Payment of the transaction price is made prior to arrangement of delivery for goods sold on the online platforms.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and that the Group will comply with all the attached conditions.

When the grant relates to expenses, it is recognised in profit or loss as other income on a systematic basis in periods in which the related costs, for which it intended to compensate, are recognised as expenses, unless the conditions are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

Employees' benefits – defined contribution plan

The Group participates in the national schemes as defined by the laws of the countries in which it has operations.

People's Republic of China ("PRC")

The subsidiaries, incorporated and operating in the PRC, is required to provide certain retirement plan contribution to their employees under the existing PRC regulations. Contributions are provided at rates stipulated by the PRC regulations and are managed by government agencies, which are responsible for administering these amounts for the subsidiary's employees.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in the period in which the related service is performed.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been substantively enacted by the reporting date in the countries where the Group operates and generates taxable income. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

All income from sale of properties in the PRC is subject to Land Appreciation Tax ("LAT") at progressive rates under the PRC tax laws and regulations. Management has to estimate the LAT progress rate to provide for LAT in accordance with the PRC tax laws and regulations. The management considered the provision of LAT to be adequate.

39. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn resources and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chairman, who is the chief operating decision maker, whose members are responsible for allocating resources and assessing performance of the operating segments.

Non-current assets held-for-sale and discontinued operations

Non-current assets (or disposal groups) is classified as assets held for sale when the sale is highly probable and the assets or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell, if their carrying amount is recovered principally through a sale transaction rather than through continuing use. These non-current assets are not depreciated or amortised while they are classified as held for sale.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and represents a separate major line of business or geographical area of operations or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

40. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has not adopted the new or revised standards and interpretations that have been issued but not yet effective. The Group is in the process of assessing the impact from the following new or amended standards:

- IFRS 18 *Presentation and disclosure in Financial Statements*
- Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS

The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

41. SUBSEQUENT EVENTS

(a) On 9 April 2024, a subsidiary in the PRC entered into a collaboration agreement with a state-owned enterprise to incorporate a company with intended principal activities in agriculture business, in which the Group will inject capital in cash or in kind up to RMB 3,300,000 representing 33% ownership interest. On 15 May 2024, a company, Henan Zhongxingheyin Agriculture Technology Co., Ltd was incorporated for this purpose. The Group has yet to inject the capital, as of the date of authorisation of the financial statements.

(b) As announced by the Company via SGXNet, a subsidiary in the PRC, Henan Sunshine Elegant Jade Real Estate Co., Ltd ("HSEJRE") has entered into a Memorandum of Understanding (MOU) with a third party, to transfer the right-of-use (ROU) of a commercial property in Zhenzhou City, Henan Province. The third party will transfer the ROU of the commercial property to HSEJRE, for approximately 20 years, at a transfer price to be mutually agreed by both parties, taking into account the actual or market rental rates. No definitive agreement has been entered into as of the date of authorisation of the financial statements.

Use of Proceeds from Issue of 70,000,000 Ordinary shares in the Capital of the Company

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

On 7 June 2022, in connection with the announcements made by the Company on 8 January 2022 and 23 February 2022, the Company issued and allotted a total of 35,000,000 new Shares at S$0.043 each to iFactors SPC – Asymmetric Opportunities SP ("**iFactors SP**"), Mr. Zhai Kebin (翟克彬)("**ZKB**") (the Chief Executive Officer of the Company), and Sino-Africa pursuant to a specific share issue mandate for the Company to issue new Shares granted by the Shareholders at the Company's extraordinary general meeting held on 31 May 2021 (the "**Tranche B Placement**").

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

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

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

Notes:

(1) The existing businesses of the Group comprise: (i) the business of property management; (ii) the business of general financial investment; (iii) the business of holding investment interests in the Thabazimbi Mine; and (iv) the agriculture business.

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

Issued and Fully Paid-up Capital	:	S$ 2,948,881 (equivalent to about RMB 15,806,000)
Share Premium	:	S$ 50,626,493 (equivalent to about RMB 271,358,000)
Total number of shares including treasury shares	:	408,000,000
Number of treasury shares	:	11,500
Total number of shares excluding treasury shares	:	407,988,500
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS AS AT 31 MAY 2024

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	49	3.55	2,407	0.00
100-1,000	343	24.84	159,662	0.04
1,001-10,000	730	52.86	2,516,324	0.62
10,001-1,000,000	247	17.89	13,148,683	3.22
1,000,001 and above	12	0.87	392,172,924	96.12
Total	**1,381**	**100.00**	**408,000,000**	**100.00**

LIST OF 20 LARGEST SHAREHOLDERS AS AT 31 MAY 2024

No.	Name	No. of Shares	% of Shares
1	MAYBANK SECURITIES PTE. LTD.	204,554,975	50.14
2	UOB KAY HIAN PTE LTD	68,323,800	16.75
3	ABN AMRO CLEARING BANK N.V.	48,198,025	11.81
4	GLOSSMEI LIMITED	18,250,000	4.47
5	GUO YINGHUI	17,985,000	4.41
6	KGI SECURITIES (SINGAPORE) PTE. LTD	14,560,000	3.57
7	DB NOMINEES (SINGAPORE) PTE LTD	8,042,500	1.97
8	PHILLIP SECURITIES PTE LTD	4,752,499	1.16
9	DBS VICKERS SECURITIES (S) PTE LTD	2,312,625	0.57
10	TAN LYE SENG	2,177,800	0.53
11	WANG HAIYAN	1,763,250	0.43
12	CITIBANK NOMS SPORE PTE LTD	1,252,450	0.31
13	RAFFLES NOMINEES(PTE) LIMITED	779,912	0.19
14	LIM CHOON CHWEE, PETER	650,000	0.16
15	THAM FOO KHEY	600,000	0.15
16	LI SHI	525,012	0.13
17	DBS NOMINEES PTE LTD	500,275	0.12
18	TEE WEE SIEN (ZHENG WEIXIAN)	492,875	0.12
19	LEE TAK FOOK	350,000	0.09
20	CHEE CHENG SOON	320,000	0.08
	Total	**396,390,998**	**97.15**

Statistics of Shareholdings

As at 31 May 2024

SUBSTANTIAL SHAREHOLDERS AS AT 31 MAY 2024

Name of Substantial Shareholders	Direct Interest	% [1]	Deemed Interest	% [1]
Guo Yinghui[2]	17,985,000	4.41%	211,740,000	51.90%
Feng Li[3]	14,560,000	3.57%	215,165,000	52.74%
China Focus International Limited ("China Focus")[4]	179,680,000	44.04%	–	–
Profit Run Developments Limited ("Profit Run")[5]	–	–	25,677,000	6.29%

(1) Based on the issued share capital of 407,988,500 shares (excluding 11,500 treasury shares).

(2) The controlling Shareholder of the Company, Mr. Guo Yinghui is the spouse of Mdm. Feng Li and is deemed to be interested in: (a) the 14,560,000 Shares registered in the name of KGI Fraser Securities Pte Ltd held for Mdm. Feng Li; (b) the 179,680,000 Shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (held for itself and as nominee of Profit Run); and (c) the 17,500,000 Placement Shares held by iFactors SP, each representing 3.57%, 44.04% and 4.29% respectively of the issued share capital (excluding Treasury Shares) of the Company. iFactors SP is a segregated portfolio within iFactors, a segregated portfolio company incorporated in the Cayman Islands. iFactors is wholly-owned by CLC Group, which is in turn wholly-owned by Mr. Guo Yinghui.

(3) Mdm. Feng Li is the spouse of Mr. Guo Yinghui and is deemed to be interested in: (a) the 17,985,000 Shares held by Mr. Guo Yinghui; (b) the 179,680,000 Shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (for itself and as nominee of Profit Run); and (c) the 17,500,000 Placement Shares held by iFactors SP, each representing 4.41%, 44.04%, and 4.29% respectively of the issued share capital (excluding Treasury Shares) of the Company.

(4) The 179,680,000 Shares of China Focus are registered in the name of Maybank Kim Eng Securities Pte Ltd, out of which, 25,677,000 Shares are held for China Focus as nominee of Profit Run. China Focus is an investment company incorporated in the British Virgin Islands on 25 November 2004, with Mr. Guo Yinghui and Mr. Guo Liang as its directors. As Mr. Guo Yinghui wholly owns China Focus and Profit Run is wholly-owned by a British national in trust for the benefit of Mr. Guo Yinghui, he and Mdm. Feng Li are therefore deemed to be interested in the 179,680,000 Shares registered in the name of Maybank Kim Eng Securities Pte Ltd held for China Focus (for itself and as nominee of Profit Run), representing 44.04% of the issued share capital (excluding Treasury Shares) of the Company.

(5) 25,677,000 shares are held by China Focus as nominee of Profit Run.

PUBLIC FLOAT

Based on information available to the Company as at 31 May 2024, approximately 41.37% of the issued ordinary shares (excluding treasury shares) of the Company are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting ("**AGM**") of China Mining International Limited will be convened at SAFRA Choa Chu Kang, Orchid Room, 28 Choa Chu Kang Drive, Singapore 689964 on Friday, 28 June 2024 at 3.00 p.m. to transact the following businesses:

Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Directors' Statement and Report of the Auditors thereon. **(Resolution 1)**

2. To approve payment of Directors' Fee of S$200,000 (2023: S$200,000) for the financial year ending 31 December 2024 and the payment thereof on a quarterly basis in arrears. **(Resolution 2)**

3. To re-elect Mr Dong Xincheng, a Director retiring pursuant to Article 85(6) of the Company's Constitution. **(Resolution 3)**
(See Explanatory Note 1)

4. To re-elect Ms Li Shi, a Director retiring pursuant to Article 85(6) of the Company's Constitution. **(Resolution 4)**
(See Explanatory Note 2)

5. To note the retirement of Mr. Zhai Kebin, who is retiring pursuant to Article 86(1) of the Company's Constitution.

6. To re-appoint Crowe Horwath First Trust LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

7. To transact any other ordinary business which may properly be transacted at an AGM.

As Special Business

To consider, and if thought fit, with or without any modifications, to pass the following resolutions as Ordinary Resolutions:

8. **Authority to allot and issue shares**

"That pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), approval be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors in their absolute discretion deem fit;

(b) issue Shares in pursuance of any Instruments made or granted by the Directors while the authority was in force (notwithstanding the authority conferred by this Resolution may have ceased to be in force) provided always that:

(i) the aggregate number of Shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), and for the purpose of this resolution, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be the Company's total number of issued Shares excluding treasury shares at the time this resolution is passed, after adjusting for:

(aa) new Shares arising from the conversion or exercise of convertible securities, (bb) new Shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(cc) any subsequent bonus issue, consolidation or subdivision of the Shares,

and adjustments in accordance with (aa) or (bb) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution;

(ii) In this Resolution, subsidiary holdings shall have the meaning ascribed to it in the Listing Manual of the SGX-ST; and

(iii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 6)**
(See Explanatory Note 3)

By Order of the Board
Shirley Tan Sey Liy
Company Secretary
13 June 2024

Explanatory Notes:

1. Mr Dong Xincheng ("**Mr Dong**") will upon being re-elected as a Director of the Company, remain as Chairman of Nominating Committee, a member of the Audit Committee and Remuneration Committee. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information on Mr Dong pursuant to Appendix 7.4.1 of the Listing Manual of the SGX-ST are found under "Additional information on directors seeking re-election" contained in the Company's Annual Report 2023.

2. Ms Li Shi ("**Ms Li**") will upon being re-elected as a Director of the Company, remain as a member of the Audit Committee and Remuneration Committee. She is considered not independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information on Ms Li pursuant to Appendix 7.4.1 of the Listing Manual of the SGX-ST are found under "Additional information on directors seeking re-election" contained in the Company's Annual Report 2023.

3. Resolution 6, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of which up to twenty per centum (20%) may be issued other than on a pro-rata basis to existing shareholders of the Company

Notes on AGM:

General

1. The Annual General Meeting ("**AGM**") will be held at SAFRA Choa Chu Kang, Orchid Room, 28 Choa Chu Kang Drive, Singapore 689964 on Friday, 28 June 2024 at 3.00 p.m. for the purpose of considering and if thought fit, passing the resolutions set out in the Notice of AGM. **There will be no option to participate virtually. No food or refreshments will be provided at the AGM venue.**

2. Printed copies of this Notice of AGM, accompanying Proxy Form and the Request Form for a printed copy of the Annual Report will be despatched by post to the members of the Company (other than the Central Depository (Pte) Limited ("**CDP**")) and Depositors who hold shares through CDP (collectively, the "**Shareholders**"). The Annual Report will not be despatched to the Shareholders of the Company. All documents (the Annual Report, the Proxy Form, and this Notice of AGM) have been, or will be, published on the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at http://www.chinamining-international.com.

   Register in person to attend the AGM

3. Members and Depositors (as specified in note 5 below) can attend the AGM in person. To do so, they will need to register in person at the registration counters outside the AGM venue on the day of the event. Every attendee is required to bring his or her NRIC or passport to enable the Company to verify his or her identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

Submission of Proxy Forms to Vote:

4. Members and Depositors who wish to vote on any or all of the resolutions at the AGM may vote at the AGM or by appointing proxy(ies) or the Chairman of the AGM as proxy to vote on his/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, Members and Depositors must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the proxy form, failing which, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

5. A member is entitled to appoint not more than two proxies to attend and vote at the AGM physically. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.

6. Under the Company's Constitution, unless CDP specifies otherwise in a written notice to the Company, CDP is deemed to have appointed persons holding shares in the capital of the Company through CDP and whose shares are entered in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) ("**Depositors**") as CDP's proxies to vote on behalf of CDP at the AGM in respect of such number of shares set out against each Depositor's name in the Depository Register maintained by CDP as at such date set out in the Depositor Proxy Form, and such appointment of proxies shall not require an instrument of proxy or the lodgment of any instrument of proxy.

   A Depositor(s) may nominate not more than two appointees who shall be natural persons to attend and vote in his or its place as proxy for CDP by completing the Depositor Proxy Form.

7. A proxy or appointee needs not be a member or Depositor of the Company.

8. The Depositor Proxy Form may be accessed at the Company's website at http://www.chinamining-international.com/ or the SGX website at URL https://www.sgx.com/securities/company-announcements. The Depositor Proxy Form (a copy of which is also attached hereto), must be submitted to the Company in the following manner:

   (a) if submitted by post, by depositing the duly completed Depositor Proxy Form at the office of the Company's Polling Agent, B.A.C.S Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

   (b) if submitted electronically, by scanning and submitting the duly completed Depositor Proxy Form via email to main@zicoholdings.com

   in either case, no later than 3.00 p.m. on 26 June 2024, being 48 hours before the time fixed for the AGM.

   Depositors are strongly encouraged to submit completed proxy form electronically via email.

9. A Depositor who wishes to submit the Depositor Proxy Form must first download, complete and sign it before submitting by post to the address provided above, or before scanning and sending it by email to the email address provided above.

10. CPF or SRS investors who wish to vote should approach their respective CPF Agent Bank or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on 18 June 2024) in order to allow sufficient time for their respective CPF Agent Bank or SRS Operators to in turn submit the Depositor Proxy Form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

Submission of questions

11. In view of the guidance note issued by the Singapore Exchange Regulation, a member may ask question relating to the item on the agenda of the AGM by: –

   (a) submitting question via email to main@zicoholdings.com, the Company's Singapore Share Transfer Agent, B.A.C.S Private Limited, in advance of the AGM no later than 20 June 2024 at 3.00 p.m.; or

   (b) "live" at the AGM.

   When submitting the questions, please provide the Company with the following details, for verification purpose:–

   (i) full name;

   (ii) NRIC number;

   (iii) current address;

   (iv) contact number; and

   (v) number of Shares held.

   Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS). Shareholders are encouraged to submit their questions before 20 June 2024 at 3.00 p.m., as this will allow the Company sufficient time to address and respond to these questions on or before 24 June 2024. The responses will be published on (i) the SGX-ST's website; and (ii) the Company's corporate website.

Minutes of Annual General Meeting

12. The minutes of the AGM together with the responses to the substantial and relevant questions by the shareholders not already answered and announced, will be posted on the SGX website and the Company's website within one month after the date of the AGM.

Personal data privacy

13. By submitting an instrument of proxy (being a member proxy form or Depositor Proxy Form) appointing a proxy(ies) or appointee(s) to attend, speak and vote at the meeting and/or any adjournment thereof, a member or Depositor (i) consents to the collection, use and disclosure of his personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies, appointees and representatives appointed for the meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member or Depositor discloses the personal data of the member's proxy(ies) or Depositor's appointee(s) to the Company (or its agents or service providers), the member or Depositor has obtained the prior consent of such proxy(ies) or appointee(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) or appointee(s) for the Purposes, and (iii) agrees that the member or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's or Depositor's breach of warranty.

中矿国际有限公司
CHINA MINING INTERNATIONAL LIMITED