



CHINA MINING INTERNATIONAL LIMITED

Unaudited Condensed Interim Financial Statements
for the six-month period ended 30 June 2023

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

	Note	The Group	
		6-month ended	6-month ended
		30 Jun 2023	30 Jun 2022
		RMB'000	RMB'000
Revenue	4	6,856	21,390
Cost of sales		(6,107)	(20,042)
Gross profit		749	1,348
Selling and distribution expenses		(783)	(802)
General and administrative expenses		(7,639)	(7,709)
Written-back of impairment of financial assets, net		513	-
Other income		764	698
Other expenses		(642)	-
Finance income		5	9
Finance expense		(1,127)	(866)
Loss before tax	6	(8,160)	(7,322)
Income tax (expense)/credit	7	(39)	37
Loss for the period		(8,199)	(7,285)
Other comprehensive loss, net of tax			
Items that will not be reclassified subsequently to profit or loss: Equity investment at FVOCI ⁽¹⁾ - net change in fair value			
		-	-
Loss attributable to:			
Equity holders of the Company		(6,781)	(6,448)
Non-controlling interests		(1,418)	(837)
		(8,199)	(7,285)
Total comprehensive loss attributable to:			
Equity holders of the Company		(6,781)	(6,448)
Non-controlling interests		(1,418)	(837)
		(8,199)	(7,285)
Loss per share for loss for the period attributable to the owners of the Company:			
Basic and diluted (RMB in cent)	19	(1.66)	(1.77)

Note:

(1) FVOCI refers to "fair value through other comprehensive income".

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30 Jun 2023 RMB'000	31 Dec 2022 RMB'000	30 Jun 2023 RMB'000	31 Dec 2022 RMB'000
Non-current assets					
Property, plant and equipment	10	26,725	29,161	5	1
Intangibles		588	647	-	-
Bearer plants	11	128,892	124,341	-	-
Right-of-use assets	12	53,841	56,021	-	-
Land use rights	13	37	38	-	-
Investments in subsidiaries		-	-	153,912	153,912
Financial assets, at FVOCI	9.1	56,767	56,767	56,767	56,767
Deferred tax assets		-	-	-	-
		266,850	266,975	210,684	210,680
Current assets					
Financial assets, at FVPL ⁽¹⁾ – structured deposits	9.2	-	-	-	-
Inventories		1,822	4,119	-	-
Trade receivables		1,554	5,163	-	-
Other receivables, deposits and prepayments	14	14,714	13,886	120	209
Amount due from related parties		11,680	11,662	41	41
Pledged bank deposits		69	119	-	-
Cash and cash equivalents		11,585	15,095	563	728
		41,424	50,044	724	978
Total assets		308,274	317,019	211,408	211,658
Current liabilities					
Trade payables		4,839	6,945	-	-
Accruals and other payables	15	13,820	12,958	186	1,012
Borrowings	16	33,905	36,319	-	-
Amounts due to subsidiaries (non-trade)		-	-	117,835	117,006
Amounts due to related parties (non-trade)		3,000	-	909	-
Income tax payable		2,491	2,453	-	-
		58,055	58,675	118,930	118,018
Net current assets/(liabilities)		(16,631)	(8,631)	(118,206)	(117,040)
Non-current liabilities					
Borrowings	16	53,836	54,564	-	-
Amount due to related parties (non-trade)		11,911	11,110	-	-
		65,747	65,674	-	-
Net assets		184,472	192,670	92,478	93,640
Issued capital	17	15,806	15,806	15,806	15,806
Share premium	17	271,358	271,358	271,358	271,358
Treasury shares	18	(18)	(18)	(18)	(18)
Capital reserve		49,031	49,031	-	-
Distributable reserve		267,600	267,600	267,600	267,600
Statutory reserve		312	312	-	-
Fair value deficit		(13,664)	(13,664)	(13,664)	(13,664)
Accumulated losses		(449,649)	(442,869)	(448,604)	(447,442)
		140,776	147,556	92,478	93,640
Non-controlling interests		43,696	45,114	-	-
Total equity		184,472	192,670	92,478	93,640

Note:

(1) FVPL refers to “fair value through profit or loss”.

C. Condensed interim statements of changes in equity

The Group (RMB'000)	Attributable to equity holders of the Company									Non- controlling interests	Total equity	
	Note	Issued capital	Share premium	Treasury shares	Distributable reserve	Statutory reserve	Capital reserve	Fair value deficit	Accumulated losses			Total
Balance as at 1 Jan 2023		15,806	271,358	(18)	267,600	312	49,031	(13,664)	(442,869)	147,556	45,114	192,670
Loss for the period		-	-	-	-	-	-	-	(6,781)	(6,781)	(1,418)	(8,199)
Balance as at 30 Jun 2023		15,806	271,358	(18)	267,600	312	49,031	(13,664)	(449,649)	140,776	43,696	184,472

The Group (RMB'000)	Attributable to equity holders of the Company									Non- controlling interests	Total equity	
	Note	Issued capital	Share premium	Treasury shares	Distributable reserve	Statutory reserve	Capital reserve	Fair value deficit	Accumulated losses			Total
Balance as at 1 Jan 2022 (restated)		13,142	259,797	(18)	267,600	-	49,031	(14,831)	(434,102)	140,619	44,238	184,857
Loss for the period		-	-	-	-	-	-	-	(6,448)	(6,448)	(837)	(7,285)
Issuance of new ordinary shares	17	2,664	11,561	-	-	-	-	-	-	14,225	-	14,225
Balance as at 30 Jun 2022		15,806	271,358	(18)	267,600	-	49,031	(14,831)	(440,550)	148,396	43,401	191,797

The Company (RMB'000)	Note	Attributable to equity holders of the Company						Total equity
		Issued Capital	Share Premium	Treasury Shares	Distributable Reserve	Fair value deficit	Accumulated losses	
Balance as at 1 Jan 2023		15,806	271,358	(18)	267,600	(13,664)	(447,442)	93,640
Loss for the period		-	-	-	-	-	(1,162)	(1,162)
Balance as at 30 Jun 2023		15,806	271,358	(18)	267,600	(13,664)	(448,604)	92,478

The Company (RMB'000)	Note	Attributable to equity holders of the Company						Total equity
		Issued Capital	Share Premium	Treasury Shares	Distributable Reserve	Fair value deficit	Accumulated losses	
Balance as at 1 Jan 2022		13,142	259,797	(18)	267,600	(14,831)	(432,087)	93,603
Loss for the period		-	-	-	-	-	(1,635)	(1,635)
Issuance of new ordinary shares	17	2,664	11,561	-	-	-	-	14,225
Balance as at 30 Jun 2022		15,806	271,358	(18)	267,600	(14,831)	(433,722)	106,193

D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		6-month ended 30 Jun 2023 RMB'000	6-month ended 30 Jun 2022 RMB'000
OPERATING ACTIVITIES			
Loss before tax:		(8,160)	(7,322)
Adjustments for:			
Amortization of land use rights	6	1	1
Depreciation of property, plant and equipment	6	2,345	2,494
Depreciation of right-of-use assets		95	1,869
Amortization of intangibles		59	2
Depreciation of bearer plants		1,663	-
Bearer plants written off		344	-
Interest income		-	(9)
Interest expense		1,127	866
Foreign exchange loss/(gain), net		(8)	(64)
Loss on disposal of property, plant and equipment		57	-
Operating profit/(loss) before working capital changes		(2,477)	(2,163)
Inventory		2,297	(2,904)
Trade receivables		3,609	2,134
Other receivables, deposits and prepayments		(828)	(7,318)
Pledged bank deposit		50	106
Trade payables		(2,106)	264
Interest payables		-	2,607
Accruals and other payables		824	9,849
Cash generated in operations		1,369	2,575
Income tax paid		-	(37)
NET CASH GENERATED IN OPERATING ACTIVITIES		1,369	2,538
INVESTING ACTIVITIES			
Interest received		61	9
Addition of financial assets, at FVPL		(20,750)	(42,240)
Redemption of financial assets, at FVPL		20,750	58,010
Capital expenditure on bearer plants		(2,999)	(5,701)
Purchase of property, plant and equipment		(26)	(438)
Purchase of intangibles		-	(36)
Proceeds from disposal of property, plant and equipment		36	20
NET CASH (USED)/GENERATED FROM INVESTING ACTIVITIES		(2,928)	9,624

FINANCING ACTIVITIES

Repayment of interest	(2,600)	(412)
Repayment of lease liabilities	(728)	(85)
Repayment/ Addition of bank loans	(2,414)	3,890
Advance from/repayment of related parties	3,783	(9,980)
Proceeds from issuance of new ordinary shares	-	14,225

NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES

Net (decrease)/increase in cash and cash equivalents	(3,518)	19,800
Cash and cash equivalents at beginning of the period	15,095	7,566
Exchange difference on cash and cash equivalents	8	54

CASH AND CASH EQUIVALENTS AT END OF THE PERIOD

11,585	27,420
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E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 (“**1H2023**”) as contained herewith comprised those of the Company and its subsidiaries (collectively, the “**Group**”) (the “**1H2023 Interim financial Statements**”).

2. Basis of preparation

Save as disclosed in the accounting policies below, the 1H2023 Interim Financial Statements are prepared in accordance with historical cost convention and the IAS 34 Interim Financial Reporting Standards issued by the International Accounting Standards Committee. The 1H2023 Interim Financial Statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group’s financial position and performance since the last annual financial statements for the year ended 31 December 2022 (“**FY2022**”).

Except for the adoption of new and amended standards as set out in Note 2.1, the accounting policies adopted under the 1H2023 Interim Financial Statements are consistent with those of FY2022 which were prepared in accordance with the International Financial Reporting Standards (“**IFRS**”).

The 1H2023 Interim Financial Statements are presented in Chinese Renminbi (“**RMB**”) which is the Company’s functional currency, and all values, unless otherwise stated, are rounded to the nearest thousand (RMB’000).

2.1. New and amended standards adopted by the Group

A number of amendments to accounting standards have become applicable for 1H2023. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

The preparation of the 1H2023 Interim Financial Statements, in conformity with IFRS, requires the management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities as at 30 June 2023 and the reported amounts of revenues and expenses for 1H2023.

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

The significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at the end of and for FY2022.

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

(a) Valuation of financial assets, at FVOCI

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

(b) Impairment of non-financial assets

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

(c) Impairment of other receivables

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

3. Seasonal operations

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

4. Segment and revenue information

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

	Agriculture RMB'000	Mining RMB'000	Property RMB'000	Total RMB'000
1 Jan 2023 to 30 Jun 2023				
Segment revenue from external customers	6,856	-		6,856
Segment loss, representing loss before tax	(3,833)	-	(4,327)	(8,160)
Tax expense	1		(38)	(39)
Loss for the period				<u>(8,199)</u>

	Agriculture RMB'000	Mining RMB'000	Property RMB'000	Total RMB'000
1 Jan 2022 to 30 Jun 2022				
Segment revenue from external customers	19,600	-	1,789	21,390
Segment loss, representing loss before tax	(2,240)	-	(5,082)	(7,322)
Tax credit			37	37
Loss for the period				(7,285)

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022:

	Note	The Group		The Company	
		30 Jun 2023 RMB'000	31 Dec 2022 RMB'000	30 Jun 2023 RMB'000	31 Dec 2022 RMB'000
Financial assets					
Financial assets, at FVOCI	9.1	56,767	56,767	56,767	56,767
Financial assets, at PVPL	9.2	-	-	-	-
Financial assets at amortized cost		29,935	35,999	723	883
		86,702	92,766	57,490	57,650
Financial liabilities					
Financial liabilities at amortized cost		119,068	118,492	118,930	118,018
		119,068	118,492	118,930	118,018

6. Profit before taxation

6.1. Significant items

	The Group	
	6-month ended 30 Jun 2023 RMB'000	6-month ended 30 Jun 2022 RMB'000
Income		
Compensation from insurance	644	445
Government grants	32	71
Interest income	5	9
Expenses		
Interest expense	1,127	866
Amortization of land use rights	1	1
Depreciation of property, plant and equipment	2,345	2,494
Depreciation of right-of-use assets	95	1,869
Amortization of intangibles	59	2
Depreciation of bearer plants	1,663	-
Foreign exchange loss/(gain), net	8	54
Bearer plants written off	344	-
Loss on disposal of property, plant and equipment	57	-

6.2. Related party transactions

Save as disclosed, there was no related party transaction in 1H2023.

7. Taxation

Taxation of the Group comprise corporate income tax and land appreciation tax in the PRC. The major components of income tax expense in the 1H2023 Interim Financial Statements are:

	The Group	
	6-month ended	-month ended
	30 Jun 2023	30 Jun 2022
	RMB'000	RMB'000
Current tax (expense)/credit	(39)	37
Deferred income tax expense relating to origination and reversal of temporary differences	-	-
	(39)	37

8. Net Asset Value

	The Group		The Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Net asset value (excluding non-controlling interests) as at end of financial period/year	140,776	147,556	92,478	93,640
Net asset value per ordinary share as at the end of financial period/year				
(RMB cents) ⁽¹⁾	34.51 cents	36.17 cents	22.67 cents	22.95 cents
(\$ cents) ⁽¹⁾	6.43 cents	7.02 cents	4.23 cents	4.46 cents

Note:

(1) Calculated based on the exchange rates of S\$1:RMB5.36 as at 30 June 2023 and S\$1:RMB5.15 as at 31 December 2022. The total number of issued Shares (excluding the 11,500 treasury Shares) are 407,988,500 as at 30 June 2023 and as at 31 December 2022.

9. Financial assets at fair value

9.1 Financial assets at FVOCI

	The Group and the Company	
	30 Jun 2023	31 Dec 2022
	RMB'000	RMB'000
At the beginning of the period/year	56,767	55,600
Changes in fair value recognized in other comprehensive income	-	1,167
At end of period/year	56,767	56,767
<i>Representing:</i>		
<u>Unquoted equity investments</u>		
Investment in Sino Feng Mining S.à.r.l. ("Sino Feng")	56,767	56,767

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

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

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

9.2 Financial assets at FVPL – structured deposits

	The Group	
	30 Jun 2023	31 Dec 2022
	RMB'000	RMB'000
At the beginning of the period/year	-	15,770
Addition	20,750	66,540
Redemption	(20,811)	(82,461)
Changes in fair value recognized in profit and loss	61	151
At end of period/year	-	-
<i>Representing:</i>		
- Non-principal protected financial products	-	-

The Group invested in non-principal protected financial products with one of the top 20 commercial banks in the PRC. The investments do not have any fixed maturity term or coupon interest rate or yield return.

9.3. Fair value measurement

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

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

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

As at 30 Jun 2023	The Group		
	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000
Financial assets, at FVOCI			
- Unquoted equity investment	-	-	56,767
	-	-	56,767

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

10. Property, plant and equipment

The Group acquired property, plant and equipment of RMB26,000 in 1H2023 (FY2022: RMB479,000) and disposed property, plant and equipment of RMB118,000 in 1H2023 (FY2022: 63,000).

Some items of equipment with a carrying value of RMB1,486,000 as at 30 June 2023 (FY2022: RMB1,955,000) have been pledged to a finance company as security for a working capital loan of RMB1,162,000 (FY2022: RMB1,576,000) (the "Mortgaged Loan").

11. Bearer plants

Borrowing costs, capitalized as the cost of immature plantations for the six-month period ended 30 June 2023, amounted to RMB1,473,000 (FY2022: RMB212,800). The interest capitalized is the actual interest incurred on the borrowings to finance the cultivation of the pomegranate plantations. The bearer plants written off during the six-month period ended 30 June 2023 amounted to RMB344,000 (FY2022: RMB107,000).

12. Right-of-use assets

The right-of-use assets comprise mainly leased machinery and equipment, land and lease contracts for various assets of leasehold land and building used in the agriculture operations in the PRC. These leases are non-cancellable and their renewal is subject to the lessors' approval. The Group's bearer plants are planted and managed in areas which have obtained such rights to cultivate. There were no new addition or disposal of right-of-use assets in 1H2023 (FY2022: additions of RMB 678,000).

13. Land use rights

The Group did not acquire or dispose any land use rights in 1H2023 and FY2022.

14. Other receivables, deposits and prepayments

	The Group	
	30 Jun 2023 RMB'000	31 Dec 2022 RMB'000
Advances to staff	142	103
Other receivables	1,777	604
Deposits paid to corporate guarantors ⁽¹⁾	2,925	2,925
Prepayments ⁽²⁾	5,857	6,197
Prepaid rental	88	83
Rental deposits	328	328
Prepaid business and related tax	2,473	2,573
Prepaid construction costs	1,123	1,073
	14,713	13,886

Note:

- (1) Deposits paid to third party guarantors relate to corporate guarantee granted to the Group to secure the term loans (see Note 16).
- (2) Prepayments comprised upfront payments made to suppliers in relation to supply of goods, services and legal and professional services.

15. Accruals and other payables

	The Group	
	30 Jun 2023	31 Dec 2022
	RMB'000	RMB'000
Other payables		
- Construction cost payables ⁽¹⁾	1,887	1,926
- Contract liabilities	-	101
- Others	7,982	7,700
Accrued expenses		
- Accrued business and related taxes	2,243	2,303
- Other accrued expenses	1,708	928
	13,820	12,958

Notes:

(1) The amount represents retention sum yet to be settled for the completed processing factory of the agriculture segment.

16. Borrowings

	Interest rate p.a.	The Group	
		30 Jun 2023	31 Dec 2022
		RMB'000	RMB'000
<u>Amount repayable in one year or less or on demand</u>			
Secured bank loans	7.63%	442 ⁽¹⁾	856 ⁽¹⁾
Unsecured			
- Government agency	7%	10,000	10,000
- Bank loans	3.95% to 7.63%	16,000	18,000
		26,442	28,856
Unsecured			
- Lease liabilities	6.16% to 7.18%	7,463	7,463
		33,905	36,319
<u>Amount repayable after one year</u>			
Secured bank loans	7.63%	720 ⁽¹⁾	720 ⁽¹⁾
Unsecured			
- Lease liabilities	6.16% to 7.18%	53,116	53,844
		53,836	54,564

Note:

(1) Being the Mortgage Loan.

17. Issued capital and share premium

Movements of the issued and paid-up capital and share premium of the Group and the Company (inclusive of the 11,500 treasury Shares) in 1H2023 and FY2022 are as follows:

	30 Jun 2023			31 Dec 2022		
	Number of Shares	Share Capital RMB'000	Share Premium RMB'000	Number of Shares	Share Capital RMB'000	Share Premium RMB'000
Issued and paid-up Shares at beginning of the period/year	408,000,000	15,806	271,358	338,000,000	13,142	259,797
Issued during the period/year	-	-	-	70,000,000	2,664	11,561
Issued and paid-up Shares at end of the period/year	408,000,000	15,806	271,358	408,000,000	15,806	271,358

The number of Shares (excluding treasury Shares) are 407,988,500 as at 30 June 2023 and as at 31 December 2022. All issued Shares are fully paid.

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

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

Notes:

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

Employee share option scheme

No share options were issued during 1H2023 and FY2022. Neither was there any ordinary Share issued as a result of the exercise of any outstanding share option during 1H2023 and FY2022.

Outstanding convertibles or options

There were no outstanding convertibles or options that may be converted into new Shares as at 30 June 2023 and 31 December 2022.

18. Treasury Shares

	The Group and the Company			
	As at 30 Jun 2023		As at 31 Dec 2022	
	Number of Shares	RMB'000	Number of Shares	RMB'000
At beginning and end of the period/year	11,500	18	11,500	18

There was no sale, transfer, disposal, cancellation or use of treasury Shares during 1H2023 and FY2022.

19. Loss per share

	The Group	
	6-month ended 30 Jun 2023	6-month ended 30 Jun 2022
	RMB'000	RMB'000
Loss after tax attributable to the Shareholders	(6,781)	(6,448)
Loss per share (Basic and Diluted)		
(RMB cents) ⁽¹⁾	1.66 cents	1.77 cents
(S\$ cents) ⁽¹⁾	0.32 cents	0.37 cents

Note:

- (1) Calculated based on the average exchange rates S\$1:RMB5.19 for 1H2023 and S\$1:RMB4.75 for the six-month period ended 30 June 2022 (“**1H2022**”) and the 407,988,500 weighted average issued Shares (excluding the 11,500 treasury Shares) for 1H2023 and 364,286,843 issued Shares (excluding the 11,500 treasury Shares) for 1H2022. Neither were there any dilutive securities outstanding as at the end of 1H2022 and 1H2021.

20. Subsequent events

There were no known subsequent events which have led to adjustments to the 1H2023 Interim Financial Statements.

Other Information Required by Appendix 7.2 of the Listing Rules

F. Other information

1. Review

The 1H2023 Interim Financial Statements (including the relevant explanatory notes) have not been audited or reviewed by the Company's auditors, Crowe Horwath First Trust LLP ("**Crowe Horwath**").

2. Review of the financial performance of the Group

(a) Review of the condensed consolidated statement of comprehensive income of the Group for 1H2023 (relative to that for 1H2022)

Revenue and Gross Profit

The Group recorded a turnover of RMB6.9 million against a gross profit of RMB0.8 million at a gross profit margin of 10.9% in 1H2023 vis-à-vis a turnover of RMB21.4 million against a gross profit of RMB1.34 million at a gross profit margin of 6.3% in 1H2022. The higher revenue and lower profit margin recorded in 1H2022 (relative to 1H2023) were attributed mainly to the mass-volume, low-margin products sold through the internet platform which the Group had since 1H2023 discontinued with the not so attractive low yielding line of trading business.

Written-back of impairment of financial assets, net

The one-off write-backs of certain impaired financial assets in 1H2023 were made following the recovery of part of the bad debts previously provided for with none recorded in 1H2022.

Other income

The other income in 1H2023 comprised mainly:

- (1) insurance compensation totaling RMB644,000 in respect of the insurance policies maintained by the Company's subsidiary, Henan Zhongnong Huasheng Agricultural Science And Technology Co., Ltd (河南中农华盛农业科技有 限公司) ("**ZNHS**"), and its subsidiaries (the "**ZNHS Group**") in relation to their business against damages and losses arising from natural disasters, poor weather conditions, plant diseases and pest infestations; and
- (2) government grants totaling RMB32,000 chiefly in respect of the enhancement of agricultural facilities undertaken by the ZNHS Group. The ZNHS Group has been receiving support from the PRC government for its agricultural activities in the form of annual grants. The annual grants are intended to subsidize the ZNHS Group's modernized farming efforts which could potentially increase the demand, yield, quality and variety of the ZNHS Group's agriculture products in the PRC.

Other expenses

The other expenses incurred in 1H2023 relates partly to the one-off write off of bearer plants of RMB344,000 with none recorded in 1H2022.

Finance expense

The increase in finance expenses in 1H2023 (relative to 1H2022) was attributed mainly to the various loans secured towards the end of 1H2022 which had had the relevant interest only being taken up thereafter.

Total comprehensive loss attributable to shareholders of the Group

Consequence to the above, the Group registered a net loss attributable to the Shareholders of RMB6.8 million in 1H2023 compared to a net loss attributable to the Shareholders of RMB6.5 million in 1H2022.

(b) Review of the condensed statements of financial position of the Group as at 30 June 2023 (relative to that as at 31 December 2022)

Non-current assets

The decrease in property, plant and equipment of was attributed mainly to the depreciation of RMB2.3 million.

The increase in bearer plants was mainly due to the capitalization of production and interest costs, partly offset by depreciation expense of RMB1.7 million

The decrease in right-of-use assets was due to depreciation.

Current assets

The decrease in inventories was primarily attributed to the sale of agricultural products towards the end of 1H2023 and discontinuation of trading business from internet platform as mentioned in paragraph 2(a).

The decrease in trade receivables was mainly due to receipts from customers subsequent to FY2022.

The increase in other receivables, deposits and prepayments was due mainly to prepayments made in respect of business insurance.

Taken as a whole, the current assets of the Group decreased by RMB8.6 million from RMB50.0 million as at 31 December 2022 to RMB41.4 million as at 30 June 2023.

Current liabilities

The decrease in trade payables was due principally to payment made to suppliers.

The increase in accruals and other payables was attributed principally to accrual for payrolls.

The decrease in borrowings was mainly due to repayment of working capital loans and lease liabilities.

The amounts due to related parties relates to the interest free loan obtained from a related party during 1H2023.

Taken as a whole, the current liabilities of the Group decreased by RMB0.7 million from RMB58.7 million as at 31 December 2022 to RMB58.0 million as at 30 June 2023.

Consequence to the above:

- (1) the working capital position of the Group widened from a negative RMB8.6 million as at 31 December 2022 to a negative RMB16.6 million as at 30 June 2023; and
- (2) the net asset value of the Group decreased from RMB147.6 million as at 31 December 2022 to RMB140.8 million as at 30 June 2023, with the net asset value per Share decreased from 7.02 Singapore cents as at 31 December 2022 to 6.43 Singapore cents as at 30 June 2023.

Notwithstanding the net current liability position of the Group as at 30 June 2023, the Group is quietly confident to achieve a turnaround in its working capital position for FY2023 as demand for its pomegranates in general peaks in the fourth quarter of the calendar year. The ZNHS Group is reliant on its warehouse and storage facilities to extend and preserve the freshness of the pomegranates by three months in order to cater to such prime sales period, which may last till the end of the calendar year. If necessary, the ZNHS Group may explore the possibility of leasing additional warehouse and storage facilities from third parties.

(c) Review of the condensed consolidated cashflow statement of the Group for 1H2022 (relative to that for 1H2021)

Net cash generated from operating activities

The Group's net cash generated from operating activities decreased from RMB2.5 million in 1H2022 to RMB1.4 million in 1H2023 due principally to payments made to suppliers subsequent to FY2022.

Net cash generated (used in)/from investing activities

The Group reversed its net cash generated from investing activities of RMB9.6 million in 1H2022 to a net cash used in investing activities of RMB2.9 million in 1H2023. The reversal was due largely to the absence of redemption of short-term investment deposits in 1H2023 compared to 1H2022.

Net cash generated (used in)/from in financing activities

The Group reversed its net cash generated from financing activities of RMB7.6 million in 1H2022 to a net cash used in financing activities of RMB2.0 million in 1H2023 principally attributed to the proceeds raised from the Tranche A Placement and Tranche B Placement in 1H2022.

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

No forecast or any prospective statement was previously made by the Company.

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

China's 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 as well as the increasingly pronounced ill effects of global climate change, China faces multiple challenges, including sluggish consumer spending, a crisis in the property market, weakening exports, record youth unemployment and high local government debts.

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

- (1) Effective pest control, disease management practices and good maintenance of the pomegranate plantations;
- (2) Compliance with regulations and certifications for stringent quality and food safety standards;
- (3) Adoption of agricultural technologies, including precision farming, automated irrigation systems, and modern post-harvest practices; and
- (4) Differentiate through branding and superior customer experiences to gain a competitive edge.

Barring any unforeseen circumstances, the Group expects its performance for the second half of FY2023 ("2H2023") to outperform that of 1H2023.

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

5. Dividend information

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

No dividend had been declared or recommended for 1H2023 in view of the loss-making position of the Group.

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

Not applicable.

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

No dividend was declared in the previous corresponding year.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

6. Interested person transactions

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

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

7. Negative assurance on interim financial statements pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited 1H2023 Interim Financial Statements to be false or misleading in any material aspect.

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

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

Signed for and on behalf of the Board of Directors

BY ORDER OF THE BOARD

Mr Zhai Kebin
Executive Chairman & CEO

Ms Dong Lingling
Executive Director

11 August 2023