



YAMADA GREEN RESOURCES LIMITED
(Company Registration Number 201002962E)
(Incorporated in the Republic of Singapore)
AND SUBSIDIARIES

Unaudited condensed consolidated financial statements
For the financial year ended 30 June 2023

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group					
		3-months period ended 30 June			12-months year ended 30 June		
		FY2023 (Unaudited) RMB'000	FY2022 (Unaudited) RMB'000	Increase / (Decrease) %	FY2023 (Unaudited) RMB'000	FY2022 (Audited) RMB'000	Increase / (Decrease) %
Revenue	5	6,608	10,860	(39.2)	35,869	56,470	(36.5)
Cost of sales		<u>(6,309)</u>	<u>(9,998)</u>	(36.9)	<u>(33,646)</u>	<u>(50,634)</u>	(33.6)
Gross profit		299	862	(65.3)	2,223	5,836	(61.9)
Revenue from investment properties	5	3,501	2,361	48.3	11,048	9,124	21.1
Other operating income	6	9,205	1,238	643.5	9,156	1,266	623.2
Selling and distribution expenses		(81)	(329)	(75.4)	(909)	(1,812)	(49.8)
Administrative expenses		(2,959)	(3,861)	(23.4)	(12,656)	(12,907)	(1.9)
Other operating expenses	6	-	(1,490)	n.m.	(907)	(1,155)	21.5
Finance costs	6	<u>(63)</u>	<u>(22)</u>	186.4	<u>(155)</u>	<u>(122)</u>	27.0
Profit / (loss) before taxation		9,902	(1,241)	n.m.	7,800	230	3,291.3
Taxation	7	<u>(2,476)</u>	<u>3,692</u>	n.m.	<u>(2,248)</u>	<u>2,358</u>	n.m.
Total profit for the year		7,426	2,451	203.0	5,552	2,588	114.5
Other comprehensive income, net of tax							
Item that will never be reclassified subsequently to profit or loss:							
Revaluation of property, plant and equipment - leasehold buildings and structural improvements and land use rights classified as property, plant and equipment, net of tax		<u>375</u>	<u>977</u>	(61.6)	<u>2,763</u>	<u>977</u>	182.8
Total other comprehensive income for the year		<u>375</u>	<u>977</u>	(61.6)	<u>2,763</u>	<u>977</u>	182.8
Total comprehensive income for the year attributable to:							
Owners of the Company		<u>7,801</u>	<u>3,428</u>	127.6	<u>8,315</u>	<u>3,565</u>	133.2
Earnings per share - Basic and diluted (RMB cents)	8	<u>4.1</u>	<u>1.4</u>		<u>3.1</u>	<u>1.5</u>	

*n.m. – not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 June 2023 (Unaudited) RMB'000	30 June 2022 (Audited) RMB'000	30 June 2023 (Unaudited) RMB'000	30 June 2022 (Audited) RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	45,182	58,841	-	-
Intangible assets	11	12	31	-	-
Investment properties	12	252,197	235,236	8,556	7,685
Investments in subsidiaries	13	-	-	154,289	147,780
Total non-current assets		<u>297,391</u>	<u>294,108</u>	<u>162,845</u>	<u>155,465</u>
Current assets					
Inventories		4,596	15,712	-	-
Trade and other receivables		8,815	9,401	167,615	171,415
Prepayments		91	61	91	61
Cash and bank balances		27,984	17,788	72	161
		<u>41,486</u>	<u>42,962</u>	<u>167,778</u>	<u>171,637</u>
Total assets		<u>338,877</u>	<u>337,070</u>	<u>330,623</u>	<u>327,102</u>
EQUITY					
Share capital	14	322,210	322,210	322,210	322,210
Share-based payment reserve		2,016	2,016	2,016	2,016
Statutory reserve		72,558	72,449	-	-
Revaluation reserve		45,026	43,782	-	-
Other reserve		29,349	29,349	-	-
Accumulated losses		(178,806)	(185,768)	(39,309)	(42,166)
Total equity attributable to owners of the Company		<u>292,353</u>	<u>284,038</u>	<u>284,917</u>	<u>282,060</u>
LIABILITIES					
Non-current liabilities					
Bank borrowing	15	3,592	3,674	3,592	3,674
Deferred tax liabilities		32,837	31,317	-	-
Total non-current liabilities		<u>36,429</u>	<u>34,991</u>	<u>3,592</u>	<u>3,674</u>
Current liabilities					
Trade and other payables		8,553	17,714	41,687	41,041
Bank borrowing	15	427	327	427	327
Current tax payables		1,115	-	-	-
Total current liabilities		<u>10,095</u>	<u>18,041</u>	<u>42,114</u>	<u>41,368</u>
Total liabilities		<u>46,524</u>	<u>53,032</u>	<u>45,706</u>	<u>45,042</u>
Total equity and liabilities		<u>338,877</u>	<u>337,070</u>	<u>330,623</u>	<u>327,102</u>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Group						
	Share capital	Share-based payment reserve	Statutory reserve	Revaluation reserve	Other reserve – non distributable	Accumulated losses	Total equity
(RMB'000)							
<u>FY2023 (Unaudited)</u>							
At 1 July 2022	322,210	2,016	72,449	43,782	29,349	(185,768)	284,038
Profit for the year	-	-	-	-	-	5,552	5,552
Other comprehensive income for the year	-	-	-	2,763	-	-	2,763
Transfer to retained earnings arising from Compulsory Acquisition	-	-	-	(1,519)	-	1,519	-
Transfer to statutory reserve	-	-	109	-	-	(109)	-
Total comprehensive income for the year	-	-	109	1,244	-	6,962	8,315
At 30 June 2023	322,210	2,016	72,558	45,026	29,349	(178,806)	292,353
<u>FY2022 (Audited)</u>							
At 1 July 2021	322,210	2,016	72,449	42,805	29,349	(188,356)	280,473
Profit for the year	-	-	-	-	-	2,588	2,588
Other comprehensive income for the year	-	-	-	977	-	-	977
Total comprehensive income for the year	-	-	-	977	-	2,588	3,565
At 30 June 2022	322,210	2,016	72,449	43,782	29,349	(185,768)	284,038

	Company			
	Share capital	Share based payment reserve	Accumulated losses	Total equity
(RMB'000)				
<u>FY2023 (Unaudited)</u>				
At 1 July 2022	322,210	2,016	(42,166)	282,060
Profit for the year, representing total comprehensive income for the year	-	-	2,857	2,857
Total comprehensive income for the year	-	-	2,857	2,857
At 30 June 2023	322,210	2,016	(39,309)	284,917
<u>FY2022 (Audited)</u>				
At 1 July 2021	322,210	2,016	(31,915)	292,311
Loss for the year, representing total comprehensive loss for the year	-	-	(10,251)	(10,251)
Total comprehensive loss for the year	-	-	(10,251)	(10,251)
At 30 June 2022	322,210	2,016	(42,166)	282,060

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12-months period from July to June	
	FY2023 (Unaudited) RMB'000	FY2022 (Audited) RMB'000
Cash flows from operating activities:		
Profit before taxation	7,800	230
Adjustments for:		
Amortisation of intangible assets	19	24
Depreciation of property, plant and equipment	3,155	2,764
Exchange gain	(960)	-
Fair value loss on investment properties	499	688
Gain on Compulsory Acquisition	(3,759)	-
Loss on disposal of property, plant and equipment	194	-
Property, plant and equipment written off	1	3
Reversal of over-accrual of social insurance	(3,592)	-
Interest expense	155	122
Interest income	(131)	(456)
Operating cash flow before working capital changes	3,381	3,375
Decrease in inventories	11,116	221
Decrease in trade and other receivables and prepayments	1,218	813
(Decrease) / increase in trade and other payables	(5,780)	11
Cash generated from operations	9,935	4,420
Interest received	131	456
Income tax paid	(535)	(215)
Net cash generated from operating activities	9,531	4,661
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(829)	(5,794)
Additions to investment properties	(6,569)	(6,768)
Compensation paid to tenants arising from Compulsory Acquisition	(450)	-
Proceeds from Compulsory Acquisition	8,000	-
Proceeds from disposal of property, plant and equipment	669	-
Net cash generated from / (used in) investing activities	821	(12,562)
Cash flows from financing activities:		
Repayment of bank borrowing - principal	(410)	(2,400)
Repayment of bank borrowing - interest	(155)	(122)
Net cash used in financing activities	(565)	(2,522)
Net increase / (decrease) in cash and cash equivalents	9,787	(10,423)
Cash and cash equivalents at beginning of year	17,788	29,121
Effect on foreign exchange of rate changes on cash and cash equivalents	409	(910)
Cash and cash equivalents at end of year	27,984	17,788

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS AND FULL YEAR ENDED 30 JUNE 2023**1. General Information**

Yamada Green Resources Limited (the “Company”) is a public limited liability company and domiciled in the People’s Republic of China (“PRC”). The Company was incorporated in Singapore on 8 February 2010 as a private limited company under the name Yamada Green Resources Pte. Ltd. On 28 September 2010, the Company was converted into a public company. The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office of the Company is located at 7 Temasek Boulevard #32-01 Suntec Tower One, Singapore 038987. The principal place of business is at No. 2 Dongling Road, Minhou Economic and Technological Development Zone, Ganzhe Street Minhou County, Fuzhou City, Fujian Province, PRC and No.2 Fengsheng Road, Liantang Town, Pucheng County, Nanping City, Fujian Province, PRC.

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

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

2. Basis of preparation

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

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

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

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

2. Basis of preparation (Cont'd)

2.1. New and amended standards adopted by the Group

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

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

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

3. Use of judgements and estimates

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Notes 11 & 12 – Valuation of right-of-use assets and investment properties
- Note 13 – Impairment of investments in subsidiaries

4. Seasonality of operations

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

5. Segment and revenue information

The Group's business comprises processed food products and investment properties segments.

FY2023 (Unaudited)	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
Revenue				
- Sale of goods	-	35,869	-	35,869
- Revenue from investment properties	11,048	-	-	11,048
Results				
Segment results	8,285	(3,113)	(4,455)	717
Interest income	-	131	-	131
Loss on disposal of property, plant and equipment	-	(194)	-	(194)
Gain on Compulsory Acquisition	537	3,672	-	4,209
Reversal of over-accrual of social insurance	-	3,592	-	3,592
Fair value loss on investment properties	(499)	-	-	(499)
Property, plant and equipment written off	-	(1)	-	(1)
Finance costs	(155)	-	-	(155)
Profit/(loss) before taxation	8,168	4,087	(4,455)	7,800
Taxation	125	(2,373)	-	(2,248)
Profit/(loss) after taxation	8,293	1,714	(4,455)	5,552
Other segment items				
Capital expenditure				
- property, plant and equipment	-	829	-	829
- investment properties	6,569	-	-	6,569
Depreciation and amortisation	-	(3,174)	-	(3,174)
Segment assets	252,241	79,596	165	333,002
Segment liabilities	6,551	1,114	2,491	10,156

5. Segment and revenue information (cont'd)

FY2022 (Audited)	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
Revenue				
- Sale of goods	-	56,470	-	56,470
- Revenue from investment properties	9,124	-	-	9,124
Segment results	6,499	(1,504)	(4,408)	587
Interest income	-	456	-	456
Fair value loss on investment properties	(688)	-	-	(688)
Property, plant and equipment written off	-	(3)	-	(3)
Finance costs	(86)	(36)	-	(122)
Profit/(loss) before taxation	5,725	(1,087)	(4,408)	230
Taxation	2,564	(206)	-	2,358
Profit/(loss) after taxation	8,289	(1,293)	(4,408)	2,588
Other segment items				
Capital expenditure				
- property, plant and equipment	-	5,794	-	5,794
- investment properties	6,768	-	-	6,768
Depreciation and amortisation	-	(2,788)	-	(2,788)
Segment assets	236,173	95,408	243	331,824
Segment liabilities	4,754	14,054	2,478	21,286

Geographical Information

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

	Group			
	3-months period ended 30 June		12-months ended 30 June	
	FY2023 (Unaudited) RMB'000	FY2022 (Unaudited) RMB'000	FY2023 (Unaudited) RMB'000	FY2022 (Audited) RMB'000
Revenue – sale of goods				
- Japan	5,792	10,650	34,511	53,885
- The People's Republic of China ("PRC")	816	210	1,358	2,585
Total	6,608	10,860	35,869	56,470
Revenue – rental income from investment properties				
- PRC	3,435	2,301	10,792	8,867
- Singapore	66	60	256	257
Total	3,501	2,361	11,048	9,124

5. Segment and revenue information (Cont'd)

Timing of revenue recognition

	Group					
	3 months ended 30 June 2023			12 months ended 30 June 2023		
	At a point in time	Over time	Total	At a point in time	Over time	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue – sale of goods	6,608	-	6,608	35,869	-	35,869
Revenue – rental income from investment properties	-	3,501	3,501	-	11,048	11,048
	6,608	3,501	10,109	35,869	11,048	46,917

	Group					
	3 months ended 30 June 2022			12 months ended 30 June 2022		
	At a point in time	Over time	Total	At a point in time	Over time	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue – sale of goods	10,860	-	10,860	56,470	-	56,470
Revenue – rental income from investment properties	-	2,361	2,361	-	9,124	9,124
	10,860	2,361	13,221	56,470	9,124	65,594

A breakdown of sales

	Group		
	FY2023 (Unaudited) RMB'000	FY2022 (Unaudited) RMB'000	Increase / (Decrease) %
Sales reported for			
- first half year			
- sale of goods	21,431	28,919	(25.9)
- revenue from investment properties	4,693	4,485	4.6
- second half year			
- sale of goods	14,438	27,551	(47.6)
- revenue from investment properties	6,355	4,639	37.0
Operating profit/(loss) after tax before deducting minority interest reported for:			
- first half year	100	649	(84.6)
- second half year	5,452	1,939	181.2

6. Profit/(loss) before taxation

6.1 Significant items

	Group					
	3-months period ended 30 June			12-months period ended 30 June		
	FY2023 (Unaudited) RMB'000	FY2022 (Unaudited) RMB'000	Increase / (Decrease) %	FY2023 (Unaudited) RMB'000	FY2022 (Unaudited) RMB'000	Increase / (Decrease) %
Amortisation of intangible assets	(4)	(7)	(42.9)	(19)	(24)	(20.8)
Depreciation of property, plant and equipment	(591)	(437)	35.2	(3,155)	(2,764)	14.1
Interest expense	(63)	(22)	186.4	(155)	(122)	27.0
<i>Included in other operating income:</i>						
Foreign currency exchange gain / (loss), net	864	610	41.6	960	449	113.8
Gain on Compulsory Acquisition Government subsidies	3,759	-	100.0	3,759	-	100.0
Interest income	2	50	(96.0)	44	222	(80.2)
Loss on disposal of property, plant and equipment	96	112	(14.3)	131	456	(71.3)
Reversal of over-accrual of social insurance	194	-	100.0	194	-	100.0
	3,592	-	100.0	3,592	-	100.0
<i>Included in other operating expenses:</i>						
Fair value loss on investment properties	1,115	(688)	n.m.	(499)	(688)	(27.5)
Property, plant and equipment written off	(1)	(2)	(50.0)	(1)	(3)	(66.7)

6.2 Related party transactions

There is no material related party transaction apart from those disclosed elsewhere in the financial statements.

7. Taxation

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

	Group	
	12 months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
Current income tax expense	(1,649)	(216)
Deferred tax – Origination and reversal of temporary difference	(599)	2,574
Total income tax (expense) / credit	<u>(2,248)</u>	<u>2,358</u>

8. Earnings per share

	Group			
	3 months ended 30 June		12 months ended 30 June	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net profit after tax for the year (RMB'000)	7,426	2,451	5,552	2,588
Basic earnings per share (RMB cents)	4.2	1.4	3.1	1.5
Diluted earnings per share (RMB cents)	4.2	1.4	3.1	1.5

Earnings per share is calculated based on the Group's net profit after tax for the year divided by the total number of issued share capital of the Company amounting to 176,798,164 (FY2022: 176,798,164) shares for the year under review.

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

9. Net asset value

	Group		Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value per share (RMB cents)	165.4	160.7	161.2	159.5

The net asset value per ordinary share of the Group and the Company as at 30 June 2023 and 30 June 2022 was calculated based on the total number of issued share capital of the Company of 176,798,164 as at 30 June 2023 and 30 June 2022.

10. Property, plant and equipment

	Leasehold buildings and structural improvements (At valuation) RMB'000	Land use rights (At valuation) RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Fixtures and fittings RMB'000	Construction -in-progress RMB'000	Total RMB'000
FY2023 (Unaudited)								
The Group								
<u>At valuation/cost</u>								
At 1 July 2022	40,814	19,157	384	25	6,416	273	-	67,069
Additions	-	-	-	-	34	39	756	829
Reclassification*	-	-	-	-	(341)	-	-	(341)
Transfer to investment properties	(10,504)	-	-	-	-	-	-	(10,504)
Compulsory Acquisition	(1,777)	(2,080)	-	-	-	-	-	(3,857)
Written off	-	-	-	(6)	-	-	-	(6)
Disposal	-	-	(52)	-	(357)	(18)	(635)	(1,062)
Elimination of accumulated depreciation	(2,171)	(362)	-	-	-	-	-	(2,533)
Revaluation adjustments	3,031	652	-	-	-	-	-	3,683
At 30 June 2023	29,393	17,367	332	19	5,752	294	121	53,278
<u>Accumulated depreciation and impairment</u>								
At 1 July 2022	1,535	5,957	214	24	318	180	-	8,228
Depreciation/amortisation for the year	2,182	370	64	-	502	37	-	3,155
Compulsory Acquisition	(542)	(8)	-	-	-	-	-	(550)
Disposal	-	-	(24)	-	(164)	(11)	-	(199)
Written off	-	-	-	(5)	-	-	-	(5)
Elimination of accumulated depreciation	(2,171)	(362)	-	-	-	-	-	(2,533)
At 30 June 2023	1,004	5,957	254	19	656	206	-	8,096

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

10. Property, plant and equipment (Cont'd)

	Leasehold buildings and structural improvements (At valuation) RMB'000	Land use rights (At valuation) RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Fixtures and fittings RMB'000	Construction -in-progress RMB'000	Total RMB'000
FY2022 (Audited)								
The Group								
<u>At valuation/cost</u>								
At 1 July 2021	30,423	19,017	384	83	1,074	206	140	51,327
Additions	430	-	-	-	5,346	18	-	5,794
Reclassification	140	-	-	(58)	-	58	(140)	-
Written off	-	-	-	-	(4)	(9)	-	(13)
Transfer from investment properties	11,611	-	-	-	-	-	-	11,611
Elimination of accumulated depreciation	(2,003)	(542)	-	-	-	-	-	(2,545)
Revaluation adjustments	213	682	-	-	-	-	-	895
At 30 June 2022	40,814	19,157	384	25	6,416	273	-	67,069
<u>Accumulated depreciation and impairment</u>								
At 1 July 2021	1,535	5,957	146	60	220	101	-	8,019
Depreciation/amortisation for the year	2,003	542	68	2	100	49	-	2,764
Disposal	-	-	-	(38)	-	38	-	-
Written off	-	-	-	-	(2)	(8)	-	(10)
Elimination of accumulated depreciation	(2,003)	(542)	-	-	-	-	-	(2,545)
At 30 June 2022	1,535	5,957	214	24	318	180	-	8,228
Carrying amount:								
At 30 June 2023	28,389	11,410	78	-	5,096	88	121	45,182
At 30 June 2022	39,279	13,200	170	1	6,098	93	-	58,841

10. Property, plant and equipment (Cont'd)

The Group

Compulsory Acquisition of land and buildings

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

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

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

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

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

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

The carrying amount of Fengwang's leasehold buildings and land use rights totaling RMB 3,307,000 are subject to the Compulsory Acquisition.

On 22 May 2023, the Compulsory Acquisition transaction has been completed.

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

	FY2023 (Unaudited) RMB'000	FY2022 (Audited) RMB'000
The Group		
<u>Net book value</u>		
- leasehold buildings	22,431	30,807
- land use rights	11,410	13,200
	<u>33,841</u>	<u>44,007</u>

10. Property, plant and equipment (Cont'd)

Leasehold buildings and land use rights are carried at valuation as at 30 June 2023 as determined by the independent professional valuers, Savills Valuation and Professional Services Limited. The valuers have considered possible valuation techniques including the direct comparable method and income capitalisation approach in arriving at the open market value for the reporting period.

The Company

During the financial year ended 30 June 2023, the Company has no acquisition of assets (30 June 2022 - Nil) and no disposal of assets (30 June 2022 - Nil).

11. Intangible assets

	FY2023 (Unaudited) RMB'000	FY2022 (Audited) RMB'000
The Group		
<u>Cost</u>		
Balance at beginning and end of year	120	120
<u>Accumulated amortisation</u>		
Balance at beginning of year	89	65
Amortisation for the year	19	24
Balance at end of year	108	89
Net book value	12	31

Intangible assets are relating to computer software acquired, which are not an integral part of related hardware. The assets are capitalised and amortised on a straight-line basis over their useful life of 5 years. In addition, they are subject to annual impairment testing, if there are any indicators of impairment.

12. Investment properties

	Leasehold Buildings RMB'000	Land use Rights RMB'000	Total RMB'000
The Group			
FY2023 (Unaudited)			
Balance at beginning	224,136	11,100	235,236
Additions*	6,569	-	6,569
Compulsory Acquisition	(484)	-	(484)
Transfer from property, plant and equipment	10,504	-	10,504
Exchange difference	871	-	871
Fair value adjustments	(699)	200	(499)
End of the financial year	240,897	11,300	252,197
FY2022 (Audited)			
Balance at beginning	229,867	10,900	240,767
Additions	6,768	-	6,768
Transfer to property, plant and equipment	(11,611)	-	(11,611)
Fair value adjustments	(888)	200	(688)
End of the financial year	224,136	11,100	235,236

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

The carrying amount of Fengwang's leasehold buildings and land use rights totaling RMB 484,000 are subject to the Compulsory Acquisition.

On 22 May 2023, the Compulsory Acquisition transaction has been completed.

Investment properties are carried at fair value as at 30 June 2023 as determined by the independent professional valuers, Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. and Savills Valuation and Professional Services Limited. The valuers have considered possible valuation techniques including the direct comparable method and income capitalisation approach in arriving at the open market value for the reporting period.

In the case of the direct comparable method, it involves the analysis of comparable sales of similar properties and adjusting the sale prices to reflect the superior and inferior characteristics to the subject investment properties. The income capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.

	Leasehold buildings RMB'000
The Company	
FY2023 (Unaudited)	
<u>At valuation</u>	
Fair value at 30 June 2023	8,556
FY2022 (Audited)	
<u>At valuation</u>	
Fair value at 30 June 2022	7,685

13. Investments in subsidiaries

	FY2023 (Unaudited) RMB'000	FY2022 (Audited) RMB'000
The Company		
Unquoted equity investments, at cost	163,975	163,975
<u>Impairment loss on investment in subsidiaries</u>		
Balance at beginning of year	(16,195)	(10,218)
Impairment loss for the year	-	(5,977)
Reversal of impairment loss for the year	6,509	-
	(9,686)	(16,195)
Balance at end of year	154,289	147,780

The Company assessed the carrying amounts of its investments in subsidiaries for indicators of impairment and carried out a review on the recoverable amounts of its investments in subsidiaries. The recoverable amounts of these investments are determined based on the revalued net assets of the subsidiaries as at the reporting date under the fair value hierarchy Level 3 measurement. The most significant input into this valuation approach is the selling price per square metre of the properties held by these subsidiaries (Note 12).

For financial year ended 30 June 2022, under this assessment, the Company recognised an impairment loss of RMB 5,977,000 in subsidiaries from the Investment Properties segment where the recoverable amount was lower than the carrying amount. During the financial year ended 30 June 2023, the Company reversed impairment loss of RMB 6,509,000 for subsidiaries where the recoverable amounts were higher than the carrying amounts.

The subsidiaries are:

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Cost of investments</u>		<u>Proportion of interests and voting rights held by the Group</u>		<u>Principal activities</u>
		30 June 2023 RMB'000	30 June 2022 RMB'000	30 June 2023 %	30 June 2022 %	
<u>Held by the Company</u>						
Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng") (福建望盛实业有限公司)	The People's Republic of China ("PRC")	149,762	149,762	100	100	Production, sales of processed food products and rental revenue from investment properties
Nanping Yuanwang Foods Co., Ltd ("Yuanwang") (南平市元旺食品有限公司)	PRC	14,213	14,213	100	100	Rental revenue from investment properties
<u>Held by Fujian Wangsheng Industrial Co., Ltd.</u>						
Zhangping Fengwang Agricultural Products Co., Ltd ("Fengwang") (漳平市丰旺农产品有限公司)	PRC	-	-	100	100	Rental revenue from investment properties (Deregistered on 8 August 2023)
Feng Zhi Qiu International Holdings Co., Ltd. (Hong Kong Special Administrative Region) ("Fengzhiqiu") (丰之秋国际控股有限公司)	Hong Kong	-	-	100	100	Sales of processed food products
		163,975	163,975			

14. Share capital

	FY2023	FY2022
Number of issued shares	'000	'000
Balance at beginning and at end of year	176,798	176,798
Ordinary shares issued and fully paid	RMB'000	RMB'000
Balance at beginning and at end of year	322,210	322,210

The Company did not hold any treasury shares as at 30 June 2023 and 30 June 2022.

The Company did not have any outstanding convertibles and subsidiary holdings as at 30 June 2023 and 30 June 2022.

15. Borrowings

Amount repayable in one year or less, or on demand

As at 30 June 2023 (Unaudited)		As at 30 June 2022 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Secured (RMB'000)
427	NA	327	NA

Amount repayable after one year

As at 30 June 2023 (Unaudited)		As at 30 June 2022 (Audited)	
Secured (RMB'000)	Secured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
3,592	NA	3,674	NA

Details of any collateral

The Company has taken a mortgage loan of approximately S\$1.3 million granted by Hong Leong Finance in 2016 to finance the acquisition of an office unit at PLUS (formerly known as GSH Plaza) in Singapore. The tenure of the loan is 15 years. The office unit at PLUS in Singapore has been classified as an investment property to earn rental income.

As at 30 June 2023, the Group's outstanding loan amount was approximately RMB4.0 million, of which approximately RMB0.4 million is repayable within 1 year and the rest of the loan amount is repayable after 1 year.

As at the end of the reporting period, the effective interest rate of the term loan ranges from 2.08% to 5.01% (30 June 2022 - 1.88% to 2.08%) per annum.

16. Subsequent events

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

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**1. Review**

The condensed interim statements of financial position of the Company and its subsidiaries as at 30 June 2023 and the related condensed interim consolidated statements of profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the full year then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of Performance**Q4FY2023 vs Q4FY2022**

Revenue derived from the food processing business was RMB6.6 million in the fourth quarter ended 30 June 2023 ("Q4FY2023"). The revenue decreased by RMB4.3 million or 39.2% as compared to RMB10.9 million in the fourth quarter ended 30 June 2022 ("Q4FY2022"). The decrease was mainly due to a sharp decline in sales to overseas markets as a result of decline in demand. In addition, the Group has also discontinued certain loss-making products which contributed to the decrease in revenue.

In tandem with the decrease in revenue, cost of sales also decreased by RMB3.7 million to RMB6.3 million in Q4FY2023 from RMB10.0 million in Q4FY2022.

Gross profit decreased by RMB0.6 million to RMB0.3 million in Q4FY2023 from RMB0.9 million in Q4FY2022. Gross profit margin also decreased from 7.9% in Q4FY2022 to 4.5% in Q4FY2023. The decrease in gross profit margin was mainly due to higher cost of energy as a result of switching to the use of natural gas when there was a restriction on the use of biomass fuel by local authorities in Q2FY2023.

Revenue generated from investment properties increased by RMB1.1 million or 48.3%, to RMB3.5 million in Q4FY2023 from RMB2.4 million in Q4FY2022. This was mainly due to the higher rental rate.

Other operating income increased by RMB8.0 million to RMB9.2 million in Q4FY2023. The increase was mainly due to the gain of RMB3.8 million arising from the Compulsory Acquisition, reversal of over-accrual of social insurance amounting to RMB3.6 million and foreign currency exchange gain of RMB0.9 million. Other operating income also comprised of interest income and other miscellaneous income.

Selling and distribution costs decreased by RMB0.2 million or 75.4% to RMB0.1 million in Q4FY2023 from RMB0.3 million in Q4FY2022 which was in tandem with the lower revenue recorded in the financial period.

Administrative expenses decreased by RMB0.9 million or 23.4%, from RMB3.9 million in Q4FY2022 to RMB3.0 million in Q4FY2023. The decrease was mainly due to lower staff salaries and related costs as a result of headcount reduction.

Other operating expenses decreased by RMB1.5 million which was primarily attributable to the absence of a loss of RMB0.7 million from changes in fair value of the investment properties and foreign currency exchange loss of RMB0.6 million recorded in Q4FY2022.

Taxation comprises current tax expense and deferred tax liabilities recognised in respect of the revaluation gain of the leasehold buildings and land use rights.

As a result of the above mentioned, the Group recorded a profit after tax of RMB7.4 million in Q4FY2023 as compared to RMB2.5 million in Q4FY2022.

2. Review of Performance (cont'd)

FY2023 vs FY2022

Revenue derived from the food processing business was RMB35.9 million for the financial year ended 30 June 2023 ("FY2023"). This represents a decrease of RMB20.6 million or 36.5% as compared to RMB56.5 for the financial year ended 30 June 2022 ("FY2022"). This was mainly due to declines in sales in both domestic and overseas market. The decrease in sales in domestic market was mainly due to the impact of COVID-19 pandemic in the first 6 months of the financial year. Meanwhile, the decrease in sales to overseas markets was mainly due to decline in demand as a result of significant weakening in the Japanese Yen against the USD. In addition, the Group has also discontinued certain loss-making products which contributed to the decrease in revenue.

In tandem with the decrease in revenue, cost of sales also decreased by RMB17.0 million to RMB33.6 million in FY2023 from RMB50.6 million in FY2022.

Gross profit decreased by RMB3.6 million to RMB2.2 million in FY2023 from RMB5.8 million in FY2022. Gross profit margin also decreased from 10.3% in FY2022 to 6.2% in FY2023. The decrease in gross profit margin was mainly due to higher cost of raw material and cost of energy as a result of switching to the use of natural gas when there was a restriction on the use of biomass fuel by local authorities in Q2FY2023.

Key ratio from investment properties segment:

	<u>FY2023</u>	<u>FY2022</u>
Revenue from investment properties (RMB'000)	11,048	9,124
Profit margin before tax	73.9%	62.7%
Average occupancy rate	82.5%	86.5%

Revenue generated from investment properties increased by RMB1.9 million or 21.1%, to RMB11.0 million in FY2023 from RMB9.1 million in FY2022. This was mainly due to higher rental rate. As of 30 June 2023, the average occupancy rate of the net lettable areas of our investment properties was 82.5% and the profit margin before tax of investment properties segment was 73.9%. In addition, there is an increase in net lettable areas of our investment properties in FY2023.

Other operating income increased by RMB7.9 million to RMB9.2 million in FY2023. The increase was mainly due to the gain of RMB3.8 million arising from the Compulsory Acquisition, reversal of over-accrual of social insurance amounting to RMB3.6 million and foreign currency exchange gain of RMB0.9 million. Other operating income also comprised of interest income and other miscellaneous income.

Selling and distribution costs decreased by RMB0.9 million or 49.8% to RMB0.9 million in FY2023 from RMB1.8 million in FY2022. The decrease was in tandem with the lower revenue recorded in the financial year.

Administrative expenses decreased by RMB0.3 million or 1.9%, from RMB13.0 million in FY2022 to RMB12.7 million in FY2023. The decrease was mainly due to lower staff salaries and related costs as a result of decrease in head count.

2. Review of Performance (cont'd)

FY2023 vs FY2022 (cont'd)

Other operating expenses decreased from RMB1.2 million in FY2022 to RMB1.0 million in FY2023 due mainly to the absence of foreign currency exchange loss recorded in FY2022 .

Taxation comprises current tax expense and deferred tax liabilities recognised in respect of the revaluation gain of the leasehold buildings and land use rights.

As a result of the above mentioned, the Group recorded a profit after tax of RMB5.6 million in FY2023 as compared to RMB2.6 million in FY2022.

Review of Balance Sheet

As at 30 June 2023, non-current assets increased by RMB3.3 million or 1.1%, to RMB297.4 million as compared to RMB294.1 million as at 30 June 2022. The increase was mainly due to capital expenditure incurred for renovations and improvements of investment properties in Fuzhou which was partially offset by loss from changes in fair value of investment properties and depreciation of property, plant and equipment.

Current assets decreased by RMB1.5 million from RMB43.0 million as at 30 June 2022 to RMB41.5 million as at 30 June 2023. The decrease mainly arose from lower inventories balance and trade and other receivables which was partially offset by increase in cash and bank balances. The decrease in inventories and trade and other receivables was in line with the decrease in revenue.

Non-current liabilities increased by RMB1.4 million or 4.0%, to RMB36.4 million as compared to RMB35.0 million as at 30 June 2022. This was mainly due to increase in deferred tax liabilities as a result of revaluation gain of the leasehold buildings and land use rights.

Current liabilities decreased by RMB7.9 million or 44.0%, to RMB10.1 million as at 30 June 2023 from RMB18.0 million as at 30 June 2022. This was primarily due to lower trade and other payables which was offset by an increase in tax payables.

Total equity increased by RMB8.3 million or 2.9%, from RMB284.0 million as at 30 June 2022 to RMB292.2 million as at 30 June 2023. The increase was due mainly to the higher profit generated and revaluation gain in FY2023.

Review of Cash Flow Statement

FY2023 vs FY2022

For FY2023, the Group recorded net cash generated from operating activities of RMB9.5 million. This was mainly attributable to higher profit generated and lower inventories and receivables, which was partially offset by lower trade and other payables.

Net cash generated from investing activities of RMB0.9 million in FY2023 was primarily due to proceeds from the Compulsory Acquisition and disposal of property, plant and equipment which was partially offset by the capital expenditures incurred for renovations and improvements of investment properties in Fuzhou and compensation paid to tenants arising from Compulsory Acquisition

Net cash used in financing activities of RMB0.6 million in FY2023 was mainly due to repayment of bank borrowing and interest.

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

There were no forecast or prospect statement previously disclosed.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

No applicable

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable

5. Commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Despite our products being consumer staples, the food industry and the Group's operating environment remains volatile and challenging due to uncertainties over PRC's economic condition and weakening demand in the international markets. The Group is expected to face ongoing challenges with low growth rate, intense competition and rising costs which will significantly impact our processed food products business. To maintain overall profitability and to enhance the competitiveness and resistance against market risk, the management will constantly conduct products line review to streamline those loss-making or extremely low gross margin products.

In addition, the management will continue to promote and innovate with regards to our investment properties business, with the objective to increase the occupancy rate and rental yield to strengthen the competencies and improve the overall performance of the Group. The management will also explore new business opportunities and potential acquisitions of new businesses that are accreditive to the Group for the long term.

6. If a decision regarding dividend has been made

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

Yes, subject to shareholders' approval at the Annual General Meeting.

(b) (i) Amount per share

Name of dividend	:	Proposed final dividend
Dividend type	:	Cash
Dividend amount per share	:	RMB1.13 cents per ordinary share
Number of shares	:	176,798,164
Tax rate	:	Tax Exempt (one-tier)

(ii) Previous corresponding period

Nil.

6. If a decision regarding dividend has been made (cont'd)

- (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)**

Tax Exempt (one-tier).

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

To be announced later.

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

To be announced later

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

Not applicable

8. Interested party transactions

There were no interested person transactions during the financial year ended 30 June 2023.

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

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

The Company confirmed that it has procured undertakings from all its Directors and Executive Officer (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual.

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

Name	Age	Family relationship with any director and / or substantial shareholders	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Goi Lang Ling	51	Daughter of Goi Seng Hui, Substantial Shareholder of the Company	<ul style="list-style-type: none"> - Non-Executive Director - Ms Goi discharge her duties as a member of the Remuneration Committee under its Terms of Reference of the Committee. - 2019 	None

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

The following directors have confirmed that as at 30 June 2023, there were no appointments of any relative of any Director/Chief Officer/Substantial Shareholder of the issuer who were holding a managerial position in the issuer or any of its principal subsidiaries:

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

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the financial year ended 30 June 2023 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

**CHEN QIUHAI
EXECUTIVE DIRECTOR AND CEO**

**CHEN YING
EXECUTIVE DIRECTOR**

25 AUGUST 2023