



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

**Unaudited condensed consolidated interim financial statements  
For the six months ended 31 December 2022**

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

	Note	Group					
		3 months period ended 31 December			6-months year ended 31 December		
		2022 RMB'000	2021 RMB'000	Increase / (Decrease) %	2022 RMB'000	2021 RMB'000	Increase / (Decrease) %
Revenue	5	8,396	15,632	(46.3)	21,431	28,919	(25.9)
Cost of sales		(7,860)	(14,174)	(44.5)	(19,732)	(25,984)	(24.1)
Gross profit		536	1,458	(63.2)	1,699	2,935	(42.1)
Revenue from investment properties	5	1,865	2,222	(16.1)	4,693	4,485	4.6
Other operating income	6	46	567	(91.9)	453	1,420	(68.1)
Selling and distribution expenses		(222)	(541)	(59.0)	(721)	(794)	(9.2)
Administrative expenses	6	(2,576)	(3,343)	(22.9)	(5,958)	(7,081)	(15.9)
Other operating expenses	6	(493)	(130)	n.m.	(12)	(162)	(92.6)
Finance costs	6	(29)	(35)	(17.1)	(54)	(80)	(32.5)
(Loss)/profit before taxation		(873)	198	n.m.	100	723	n.m.
Taxation	7	-	-	n.m.	-	(74)	(100.0)
Net (loss)/profit for the period		(873)	198	n.m.	100	649	n.m.
Total comprehensive (expense)/ income for the period attributable to:							
Owners of the Company		(873)	198	n.m.	100	649	n.m.
Earnings per share							
- Basic and diluted (RMB cent)	8	(0.5)	0.1		0.1	0.4	

n.m.: not meaningful

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

		Group		Company	
		31 December 2022	30 June 2022 (Audited)	31 December 2022	30 June 2022 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	Note 10	56,821	58,841	-	-
Intangible assets	11	19	31	-	-
Investment properties	12	241,514	235,236	7,685	7,685
Investments in subsidiaries	13	-	-	149,499	147,780
<b>Total non-current assets</b>		<b>298,354</b>	<b>294,108</b>	<b>157,184</b>	<b>155,465</b>
<b>Current assets</b>					
Inventories		8,836	15,712	-	-
Trade and other receivables		9,709	9,401	167,570	171,415
Prepayments		1,931	61	13	61
Cash and bank balances		12,876	17,788	1,196	161
		33,352	42,962	168,779	171,637
<b>Total assets</b>		<b>331,706</b>	<b>337,070</b>	<b>325,963</b>	<b>327,102</b>
<b>Equity</b>					
Share capital	15	322,210	322,210	322,210	322,210
Share-based payment reserve		2,016	2,016	2,016	2,016
Statutory reserve		72,449	72,449	-	-
Revaluation reserve		43,782	43,782	-	-
Other reserve		29,349	29,349	-	-
Accumulated losses		(185,668)	(185,768)	(42,491)	(42,166)
<b>Total equity attributable to owners of the Company</b>		<b>284,138</b>	<b>284,038</b>	<b>281,735</b>	<b>282,060</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Bank borrowings	14	3,616	3,674	3,616	3,674
Deferred tax liabilities		31,317	31,317	-	-
<b>Total non-current liabilities</b>		<b>34,933</b>	<b>34,991</b>	<b>3,616</b>	<b>3,674</b>
<b>Current liabilities</b>					
Trade and other payables		12,168	17,714	40,145	41,041
Bank borrowings	14	467	327	467	327
<b>Total current liabilities</b>		<b>12,635</b>	<b>18,041</b>	<b>40,612</b>	<b>41,368</b>
<b>Total liabilities</b>		<b>47,568</b>	<b>53,032</b>	<b>44,228</b>	<b>45,042</b>
<b>Total equity and liabilities</b>		<b>331,706</b>	<b>337,070</b>	<b>325,963</b>	<b>327,102</b>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Group						
	Share capital RMB'000	Share-based payment RMB'000	Statutory reserve RMB'000	Revaluation reserve RMB'000	Other reserve non distributable RMB'000	Accumulated losses RMB'000	Total equity RMB'000
<b><u>FY2023</u></b>							
Balance at 1 July 2022	322,210	2,016	72,449	43,782	29,349	(185,768)	284,038
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	100	100
Balance as at 31 December 2022	322,210	2,016	72,449	43,782	29,349	(185,668)	284,138
<b><u>FY2022</u></b>							
Balance at 1 July 2021	322,210	2,016	72,449	42,805	29,349	(188,356)	280,473
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	649	649
Balance as at 31 December 2021	322,210	2,016	72,449	42,805	29,349	(187,707)	281,122

	Company			
	Share capital RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
<b><u>FY2023</u></b>				
Balance as at 1 July 2022	322,210	2,016	(42,166)	282,060
Loss for the financial period, representing total comprehensive expense for the financial period	-	-	(325)	(325)
Balance as at 31 December 2022	322,210	2,016	(42,491)	281,735
<b><u>FY2022</u></b>				
Balance as at 1 July 2021	322,210	2,016	(31,915)	292,311
Loss for the financial period, representing total comprehensive expense for the financial period	-	-	(1,463)	(1,463)
Balance as at 31 December 2021	322,210	2,016	(33,378)	290,848

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	6 months ended 31 December	
	2022 RMB'000	2021 RMB'000
<b>Cash flows from operating activities:</b>		
Profit before taxation	100	723
Adjustments for:		
Depreciation of property, plant and equipment	1,722	1,551
Amortisation of intangible assets	12	12
Property, plant and equipment written off	3	-
Exchange (gain)/loss	(562)	319
Interest expense	54	80
Interest income	(17)	(195)
Operating cash flow before working capital changes	1,312	2,490
Working Capital Changes:		
Inventories	6,876	2,496
Trade and other receivables	(1,507)	(588)
Trade and other payables	(5,249)	(210)
Cash generated from operations	1,432	4,188
Interest received	17	195
Income tax paid	-	(74)
<b>Net cash generated from operating activities</b>	<b>1,449</b>	<b>4,309</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(46)	(508)
Acquisition of investment properties	(6,278)	-
<b>Net cash used in from investing activities</b>	<b>(6,324)</b>	<b>(508)</b>
<b>Cash flows from financing activities:</b>		
Repayment of bank borrowings - principal	(215)	(2,163)
Repayment of bank borrowings - interest	(54)	(80)
<b>Net cash used in financing activities</b>	<b>(269)</b>	<b>(2,243)</b>
Net (decrease)/increase in cash and cash equivalents	(5,144)	1,558
Cash and cash equivalents at beginning of the financial period	17,788	29,121
Effect of foreign exchange rate changes on cash and cash equivalents	232	(215)
<b>Cash and cash equivalents at end of the financial period</b>	<b>12,876</b>	<b>30,464</b>

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**E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2022****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 and assumed the present name of Yamada Green Resources Limited. The Company was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 October 2010.

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

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

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

**2. Basis of preparation**

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

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

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

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

## 2.1 Adoption of new and amended standards

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

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

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

## 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.

### Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the group audit committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.



**3. Use of judgements and estimates (Cont'd)**  
**Measurement of fair values (Cont'd)**

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**4. Seasonality of operations**

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

**5. Segment and revenue information**

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

1 July 2022 to 31 December 2022	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
<b>Revenue</b>				
- Sale of goods	-	21,431	-	21,431
- Revenue from investment properties	4,693	-	-	4,693
<b>Results</b>				
Segment results	2,586	(371)	(2,078)	137
Interest income	-	17	-	17
Finance costs	(54)	-	-	(54)
Profit/(loss) before taxation	2,532	(354)	(2,078)	100
Taxation	-	-	-	-
Profit/(loss) after taxation	2,532	(354)	(2,078)	100
Other segment items				
Capital expenditure				
- property, plant and equipment	-	(46)	-	(46)
- investment properties	(6,278)	-	-	(6,278)
Property, plant and equipment written off	-	(3)	-	(3)
Depreciation and amortisation	-	(1,734)	-	(1,734)
<b>Segment assets</b>	<b>243,523</b>	<b>80,085</b>	<b>1,198</b>	<b>324,806</b>
<b>Segment liabilities</b>	<b>4,908</b>	<b>9,339</b>	<b>1,579</b>	<b>15,826</b>

5. Segment and revenue information (Cont'd)

1 July 2021 to 31 December 2021	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
<b>Revenue</b>				
- Sale of goods	-	28,919	-	28,919
- Revenue from investment properties	4,485	-	-	4,485
<b>Results</b>				
Segment results	2,365	(240)	(1,517)	608
Interest income	-	195	-	195
Finance costs	(44)	(36)	-	(80)
Profit/(loss) before taxation	2,321	(81)	(1,517)	723
Taxation	(74)	-	-	(74)
Profit/(loss) after taxation	2,247	(81)	(1,517)	649
Other segment items				
Capital expenditure				
- property, plant and equipment	-	(508)	-	(508)
Depreciation and amortisation	-	(1,563)	-	(1,563)
<b>Segment assets</b>	241,801	89,951	1,070	332,822
<b>Segment liabilities</b>	4,183	12,267	1,260	17,710

Geographical Information

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

	Group			
	3 months ended 31 December		6-months ended 31 December	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of goods				
- China (domicile)	135	776	430	1,824
- Japan	8,261	14,856	21,001	27,095
Total	8,396	15,632	21,431	28,919
Revenue from investment properties				
- China (domicile)	1,800	2,163	4,567	4,367
- Singapore	65	59	126	118
Total	1,865	2,222	4,693	4,485

5. Segment and revenue information (Cont'd)

Timing of revenue recognition

Group	Group					
	3 months ended 31 December 2022			6 months ended 31 December 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
Sales of goods	8,396	-	8,396	21,431	-	21,431
Revenue from investment properties	-	1,865	1,865	-	4,693	4,693
	8,396	1,865	10,261	21,431	4,693	26,124
	3 months ended 31 December 2021			6 months ended 31 December 2021		
	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
Sales of goods	15,632	-	15,632	28,919	-	28,919
Revenue from investment properties	-	2,222	2,222	-	4,485	4,485
	15,632	2,222	17,854	28,919	4,485	33,404

6. Profit before taxation

6.1 Significant items

	Group					
	3 months ended 31 December			6 months ended 31 December		
	2022	2021	Increase / (Decrease) %	2022	2021	Increase / (Decrease) %
	RMB'000	RMB'000		RMB'000	RMB'000	
Amortisation of intangible assets	(6)	(6)	-	(12)	(12)	-
Depreciation of property, plant and equipment	(899)	(775)	16.0	(1,722)	(1,551)	11.0
Property, plant and equipment written off	(3)	-	100.0	(3)	-	100.0
Interest expense	(29)	(35)	(17.1)	(54)	(80)	(32.5)
<i>Included in other operating income/expenses:-</i>						
Foreign currency exchange (loss)/gain, net	(461)	(225)	n.m.	330	(104)	n.m.
Government subsidies	44	-	100.0	44	172	(74.4)
Interest income	2	133	(98.5)	17	195	(91.3)

n.m.: not meaningful

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:

	<b>Group</b>	
	<b>6 months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current income tax expense	-	74
Total income tax	-	74

**8. Earnings per share**

	<b>Group</b>			
	<b>3 months ended 31 December</b>		<b>6 months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Net (loss)/profit after tax for the period (RMB'000)	(873)	198	100	649
Basic earnings per share (RMB cents)	(0.5)	0.1	0.1	0.4
Diluted earnings per share (RMB cents)	(0.5)	0.1	0.1	0.4

Earnings per share is calculated based on the Group's net loss/profit after tax for the period divided by the total number of issued share capital of the Company amounting to 176,798,164 (31 December 2021: 176,798,164) shares for the period 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**

	<b>Group</b>		<b>Company</b>	
	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
		<b>(Audited)</b>		<b>(Audited)</b>
Net Asset Value per share (RMB cents)	160.7	160.7	159.4	159.5

The net asset value per ordinary share of the Group and the Company as at 31 December 2022 and 30 June 2022 was calculated based on the total number of issued share capital of the Company of 176,798,164 as at 31 December 2022 and 30 June 2022 respectively.

**10. Property, plant and equipment**

<b>FY2023</b>	<b>Leasehold buildings and structural improvements</b>	<b>Land use rights</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Plant and machinery</b>	<b>Fixtures and fittings</b>	<b>Construction-in-progress</b>	<b>Total</b>
The Group	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 July 2022	40,814	19,157	384	25	6,416	273	-	67,069
Additions	-	-	-	-	32	14	-	46
Written off	-	-	-	-	(5)	(1)	-	(6)
Other adjustments	-	-	-	-	(341)	-	-	(341)
<b>Balance at 31 December 2022</b>	<b>40,814</b>	<b>19,157</b>	<b>384</b>	<b>25</b>	<b>6,102</b>	<b>286</b>	<b>-</b>	<b>66,768</b>
<u>Accumulated depreciation</u>								
Balance at 1 July 2022	1,535	5,957	214	24	318	180	-	8,228
Depreciation/amortisation during the period	1,183	271	34	1	212	21	-	1,722
Written off	-	-	-	-	(2)	(1)	-	(3)
<b>Balance at 31 December 2022</b>	<b>2,718</b>	<b>6,228</b>	<b>248</b>	<b>25</b>	<b>528</b>	<b>200</b>	<b>-</b>	<b>9,947</b>
<b>FY2022 (Unaudited)</b>								
Balance at 1 July 2021	30,423	19,017	384	83	1,074	206	140	51,327
Additions	-	-	-	-	-	3	-	3
<b>Balance at 31 December 2021</b>	<b>30,423</b>	<b>19,017</b>	<b>384</b>	<b>83</b>	<b>1,074</b>	<b>209</b>	<b>140</b>	<b>51,330</b>
<u>Accumulated depreciation</u>								
Balance at 1 July 2021	1,534	5,957	146	60	220	101	-	8,018
Depreciation/amortisation during the period	586	135	17	2	25	11	-	776
<b>Balance at 31 December 2021</b>	<b>2,120</b>	<b>6,092</b>	<b>163</b>	<b>62</b>	<b>245</b>	<b>112</b>	<b>-</b>	<b>8,794</b>
Carrying amount:								
Balance at 31 December 2022	38,096	12,929	136	-	5,574	86	-	56,821
<b>Balance at 31 December 2021</b>	<b>28,303</b>	<b>12,925</b>	<b>221</b>	<b>21</b>	<b>829</b>	<b>97</b>	<b>140</b>	<b>42,536</b>

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

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

The Group	31 December 2022	30 June 2022 (Audited)
	RMB'000	RMB'000
<u>Net book value</u>		
- leasehold buildings	29,838	30,807
- land use rights	12,929	13,200
	<u>42,767</u>	<u>44,007</u>

As at 31 December 2022, there was no impairment recognised during the period. The Group has estimated the carrying amount of the rights-of-use assets in accordance with the fair value determined on 30 June 2022 and are depreciated on a straight-line basis over their estimated useful lives. The Group's rights-of-use assets are stated at estimated fair value based on the valuation performed by independent professional valuers who are appointed annually to perform the valuation as at each financial year end of the Group. The recoverable amount is based on their fair value less costs to sell as determined using income approach, which is a fair value hierarchy Level 3 measurement.

There is much uncertainty in which the COVID-19 pandemic will continue to persist with implications of higher levels of estimation uncertainty and judgement required due to the changes in market and economic conditions which could give rise to material valuation uncertainty.

**11. Intangible assets**

The Group	31 December 2022	30 June 2022 (Audited)
	RMB'000	RMB'000
<u>Cost</u>		
Balance at beginning and end of period/year	120	120
<u>Accumulated amortisation</u>		
Balance at beginning of period/year	89	65
Amortisation for the period/year	12	24
Balance at end of period/year	<u>101</u>	<u>89</u>
Net book value	19	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

<b>FY2023</b>	<b>Leasehold buildings</b>	<b>Land use rights</b>	<b>Total</b>
The Group <b>6 months ended 31 December 2022</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Balance at beginning	224,136	11,100	235,236
Additions	6,278	-	6,278
End of the financial year	230,414	11,100	241,514
<b>FY2022 (Audited)</b>	<b>Leasehold buildings</b>	<b>Land use rights</b>	<b>Total</b>
The Group <b>30 June 2022</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
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 changes	(888)	200	(688)
End of the financial year	224,136	11,100	235,236

The Group's investment properties (including land use rights) are stated at estimated fair value based on the valuation performed by independent professional valuers who are appointed annually to perform valuation as at each financial year end of the Group. Independent valuers were not appointed to perform valuation of the investment properties as at 31 December 2022. However, the Group had taken into account the factors such as the market rental rates, changes in tenants and use of available space during this financial period. There were no significant impact as to the fair value of the investment properties as at 31 December 2022.

The fair value of the investment properties as at financial year ended 30 June 2022 was based on valuations performed by 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 depreciated replacement cost approach, direct comparable method and income capitalisation approach in arriving at the open market value as at the balance sheet date. The direct comparable method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The capitalisation rate applied for the valuation of investment properties was 4.5%-5.5% for the financial year ended 30 June 2022 (30 June 2021 - 4.5% - 5.5%).

At each financial year end, the Group's finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to prior year valuation report; and
- holds discussions with the independent valuer.

There is much uncertainty in which the COVID-19 pandemic will continue to persist with implications of higher levels of estimation uncertainty and judgement required due to the changes in market and economic conditions which could give rise to material valuation uncertainty.

## 13. Investment in Subsidiaries

	As at 31 December 2022	As at 30 June 2022 (Audited)
	RMB'000	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 period/year	(16,195)	(10,218)
Impairment loss for the period/year	-	(5,977)
Reversal of impairment loss for the period/year	1,719	-
	(14,476)	(16,195)
<u>Balance at end of period/year</u>	<u>149,499</u>	<u>147,780</u>

During the financial year ended 30 June 2022, 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. Under this assessment, the Company recognised an impairment loss of RMB 5,977,000 for subsidiaries from the Investment Properties segment where the recoverable amount was higher than the carrying amount. During the financial period ended 31 December 2022, the Company has reversed impairment loss of RMB 1,719,000 for subsidiaries from the Investment Properties Segment where the recoverable amounts were higher than the carrying amounts.

The subsidiaries are:

Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of interests and voting rights held by the Group		Principal activities
		31 December 2022	30 June 2022	31 December 2022	30 June 2022	
		RMB'000	RMB'000	%	%	
<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
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
		<u>163,975</u>	<u>163,975</u>			



**14. Borrowings****Amount repayable in one year or less, or on demand**

As at 31 December 2022		As at 30 June 2022 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Secured (RMB'000)
467	NA	327	NA

**Amount repayable after one year**

As at 31 December 2022		As at 30 June 2022 (Audited)	
Secured (RMB'000)	Secured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
3,616	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 31 December 2022, the Group's outstanding loan amount was approximately RMB4.0 million, of which approximately RMB0.5 million is repayable within 1 year and the rest of the loan amount is repayable after 1 year.

**15. Share capital**

	31 December 2022	30 June 2022
	Number of shares '000	Number of shares '000
<b>Number of issued shares</b>		
Balance at beginning and at end of period/year	<u>176,798</u>	<u>176,798</u>
<b>Ordinary shares issued and fully paid</b>		
Balance at beginning and at end of period/year	<u>RMB'000 322,210</u>	<u>RMB'000 322,210</u>

The Company did not hold any treasury shares as at 31 December 2022 and 30 June 2022.

The Company did not have any outstanding convertibles and subsidiary holdings as at 31 December 2022 and 30 June 2022.

**16. Subsequent events**

On 10 January 2023, the Company announced that its wholly-owned subsidiary, Zhangping Fengwang Agricultural Products Co. Ltd. ("Fengwang"), has again received a notification dated 10 January 2023 from the Zhangping Municipal government of plans to acquire Fengwang's land and buildings 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.

Fengwang had previously received such government notice on 19 January 2022 as announced by the Company on that date and was subsequently aborted by the government as announced by the Company on 26 July 2022.

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

The Group's figures for the six-month period ended 31 December 2022 have been reviewed by the Company's auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The auditors' review report is issued in relation to the Group's Condensed Consolidated Interim Financial Statements which is attached to the financial statement announcement. There are no qualifications or emphasis of matters in the auditor's review report.

**2. Review of Performance****Q2FY2023 vs Q2FY2022**

Revenue derived from the food processing business was RMB8.4 million in the second quarter ended 31 December 2022 ("Q2FY2023"). The revenue decreased by RMB7.2 million or 46.3% as compared to RMB15.6 million in the second quarter ended 31 December 2021 ("Q2FY2022").

The decrease was mainly due to lower sales of the processed food products as a result of a decline in demand from overseas market caused by the weakening of the Japanese Yen. In addition, the operations of the Group have been adversely affected by the local government's order restricting the mobility of persons and vehicles due to the breakout of Covid-19 infections in Fuzhou, China.

Gross profit decreased by RMB1.0 million to RMB0.5 million in Q2FY2023 from RMB1.5 million in Q2FY2022.

Revenue generated from investment properties decreased by RMB0.3 million or 16.1% to RMB1.9 million in Q2FY2023 from RMB2.2 million in Q2FY2022. The decrease was mainly due to rental rebate granted to tenants that were affected by the leasehold improvement works and lower demand of the rental properties during the breakout of Covid-19 in Q2FY2023.

Selling and distribution expenses decreased by RMB0.3 million or 59.0% to RMB0.2 million in Q2FY2023 from RMB0.5 million in Q2FY2022, which was in line with lower revenue recorded in the financial period.

Administrative expenses decreased by RMB0.7 million or 22.9% to RMB2.6 million in Q2FY2023 from RMB3.3 million in Q2FY2022 due to lower staff costs and welfare costs on the back of cost reduction initiatives.

The Group recorded finance costs of RMB0.03 million and RMB0.04 million in Q2FY2023 and Q2FY2022 respectively. The lower finance costs was in line with the decrease in bank borrowings.

As a result of the above mentioned, the Group recorded a net loss of RMB0.9 million in Q2FY2023, compared to a net profit of RMB0.2 million in Q2FY2022.

**HYFY2023 vs HYFY2022**

Revenue derived from the food processing business was RMB21.4 million for the six months ended 31 December 2022 ("HYFY2023"). This represents a decrease of RMB7.5 million or 25.9% as compared to RMB28.9 million for the six months ended 31 December 2021 ("HYFY2022"). This was mainly due to lower sales of the processed food products for both domestic and overseas market as a result of the breakout of Covid-19 infections in Fuzhou, China which the operations of the Group have been adversely affected by the local government's order restricting the mobility of persons and vehicles.

Gross profit decreased by RMB0.8 million to RMB1.7 million in HYFY2023 from RMB2.9 million in HYFY2022. Gross profit margin fell from 10.1% in HYFY2022 to 7.9% in HYFY2023 due to inflationary pressure on direct cost of production.

Revenue generated from investment properties increased by RMB0.2 million or 4.6% to RMB4.7 million in HYFY2023 from RMB4.5 million in HYFY2022. The increase was mainly due to better rental rates secured which was partially offset by rental rebate granted to tenants affected by the leasehold improvement works.

In tandem with lower revenue from food processing business, selling and distribution expenses decreased by RMB0.1 million or 9.2% to RMB0.7million in HYFY2023 from RMB0.8 million in HYFY2022.

Administrative expenses decreased by RMB1.1 million or 15.9% to RMB6.0 million in HYFY2023 from RMB7.1 million in HYFY2022 due to lower staff costs and welfare costs on the back of cost reduction initiatives.

The Group recorded finance costs of RMB0.05 million and RMB0.08 million in HYFY2023 and HYFY2022 respectively. The lower finance costs was in line with the decrease in bank borrowings.

As a result of the above mentioned, Group's net profit decreased by RMB 0.6 million to RMB0.1 million in HYFY2023 from RMB0.7 million in HYFY2022.

### **Review of Balance Sheet**

As at 31 December 2022, non-current assets increased by RMB4.3 million to RMB298.4 million as compared to RMB294.1 million as at 30 June 2022. The increase was primarily attributable to acquisition of property, plant and equipment and investment properties which was offset by the amortisation of intangible assets and depreciation of property, plant and equipment in HY FY2023.

Current assets decreased by RMB9.6 million or 22.3%, from RMB43.0 million as at 30 June 2022 to RMB33.4 million as at 31 December 2022. The decrease mainly arose from lower bank balance as well as lower inventories balance as a result of the lower demand from oversea market caused by the weakening of the Japanese Yen and disruption of the Group's production line by the breakout of Covid-19 in Q2FY2023.

Non-current liabilities remained constant at RMB35.0 million as at 31 December 2022 and 30 June 2022.

Current liabilities decreased by RMB5.4 million or 30.0% to RMB12.6 million as at 31 December 2022 from RMB18.0 million as at 30 June 2022. This was primarily due to repayment of payable to suppliers and contractors for refurbishment work to the leasehold building.

Total equity remained constant at RMB284.0 million as at 31 December 2022 and 30 June 2022.

### **Review of Cash Flow Statement**

#### **HYFY2023 vs HYFY2022**

For HYFY2023, we recorded net cash generated from operating activities of RMB1.4 million. This was mainly attributable to lower inventories, which was partially offset by higher receivables and lower payables.

Net cash used in investing activities of RMB6.3 million in HYFY2023 was primarily due to capital expenditures incurred for property, plant and equipment and investment properties.

There was a net cash outflow of RMB0.3 million in financing activities in HYFY2023 primarily due to repayment of bank borrowings 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.**

Not 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.**

The Group continues to face strong headwinds and inflationary cost pressures as heightened geopolitical tensions and the uncertainties and challenges posed by the COVID-19 pandemic that may continue to threaten China and the global economy. Due to a considerable drop in the incidence of COVID-19 by end of 2022, the China government shifted away from a "zero-tolerance" policy to a more relaxing approach, and the management team will fully capitalize on the opportunities brought about by this transformation.

At the end of November 2022, the China government began to restrict the use of biomass fuel boilers, which affecting the Group and its tenants' production lines. In order to resume normal production, the production line had to be converted to natural gas boilers, however this would increase energy costs and affect the Group's profitability. The increase in our production cost would also increase the risk of losing existing clients or being replaced by other suppliers. In the face of rising production costs, the Group would strengthen its leasing business to improve the rental income so as to mitigate the negative impact on profits due to rising production costs.

Overall, the Group will constantly review its operational structure to drive operational efficiency and enable the Group to survive in the complex political and economic environment.

6. **If a decision regarding dividend has been made**

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

None.

- (b) (i) **Amount per share**

Not Applicable.

- (ii) **Previous corresponding period**

Not Applicable.

- (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 p.m.) will be registered before entitlements to the dividend are determined**

Not Applicable.

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

In view of the huge uncertainties and challenges faced by China and the world, the operating environment is therefore expected to remain challenging in the months ahead and it is critical for the Group to conserve its cash resources so as to sustain its business operations. Therefore, the Board of Directors of the Company does not recommend that a dividend be paid for the period ended 31 December 2022. The Company will use its best effort to ensure dividend paid out in future.

**8. Interested party transactions**

There were no interested person transactions during the financial period ended 31 December 2022.

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 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 Listing Manual.

**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 six months period ended 31 December 2022 to be false or misleading in any material aspect.

**ON BEHALF OF THE BOARD**

**CHEN QIUHAI**  
**EXECUTIVE DIRECTOR AND CEO**

**CHEN YING**  
**EXECUTIVE DIRECTOR**

**9 February 2023**