

Condensed Consolidated Financial Statements
Yamada Green Resources Limited
and its subsidiaries

Nine months ended 31 March 2022

Independent auditor's report on review of condensed consolidated interim financial statements

The Board of Directors
Yamada Green Resources Limited

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Yamada Green Resources Limited ("the Company") and its subsidiaries (the "Group") and statement of financial position of the Company as at 31 March 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine-month period then ended and certain explanatory notes (the "Condensed Consolidated Interim Financial Statements"). Management is responsible for the preparation and presentation of this Condensed Consolidated Interim Financial Statements in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Consolidated Interim Financial Statements based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the Condensed Consolidated Interim Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Statements is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.

Other Matter

(a) Report made by BDO LLP to the Minister of Finance ("MOF") of Singapore

As fully explained in the 2018 Annual Report, BDO LLP had, on 25 September 2017, informed the Board that it had made a confidential report to the MOF under Section 207(9A) of the Act on 21 September 2017. As of the date of this report, there is no further development noted.

(b) Prior periods unaudited / unreviewed

The condensed consolidated interim financial statements of Yamada Green Resources Limited for the nine months ended 31 March 2021 were neither audited nor reviewed. The condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine months ended 31 March 2021 were therefore marked as unaudited. The corresponding figures for 30 June 2021 were previously audited by us and we issued an unmodified audit opinion on 30 September 2021.

Independent auditor's report on review of condensed consolidated interim financial statements (Cont'd)

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Consolidated Interim Financial Statements for the purpose of assisting the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its Condensed Consolidated Interim Financial Statements for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.



Foo Kou Tan LLP
Public Accountants and
Chartered Accountants

Singapore,
13 May 2022

Condensed consolidated statements of financial position as at 31 March 2022

		The Company		The Group	
		31 March	30 June	31 March	30 June
		2022	2021	2022	2021
	Note	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-Current Assets					
Plant and equipment	4	-	-	2,015	1,360
Right-of-use assets	5	-	-	39,786	41,948
Intangible assets	6	-	-	37	55
Investment properties	7	7,685	7,685	240,767	240,767
Investments in subsidiaries	8	153,757	153,757	-	-
		161,442	161,442	282,605	284,130
Current Assets					
Inventories	9	-	-	11,099	15,933
Trade and other receivables		171,915	171,507	12,096	9,280
Prepayments		142	83	6,102	86
Cash and bank balances		258	1,370	25,152	29,121
		172,315	172,960	54,449	54,420
Total assets		333,757	334,402	337,054	338,550
EQUITY					
Capital and Reserves					
Share capital	10	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		-	-	43,035	42,805
Other reserve		-	-	29,349	29,349
Accumulated losses		(34,216)	(31,915)	(188,220)	(188,356)
Total equity attributable to owners of the Company		290,010	292,311	280,839	280,473
LIABILITIES					
Non-Current Liabilities					
Bank borrowings	11	3,663	4,002	3,663	4,002
Deferred tax liabilities		-	-	35,003	33,973
		3,663	4,002	38,666	37,975
Current Liabilities					
Trade and other payables		39,744	37,689	17,209	17,702
Bank borrowings	11	340	400	340	2,400
		40,084	38,089	17,549	20,102
Total liabilities		43,747	42,091	56,215	58,077
Total equity and liabilities		333,757	334,402	337,054	338,550

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income

for the nine months ended 31 March 2022

The Group	Note	Nine months ended 31 March	
		2022 RMB'000	2021 RMB'000 (Unaudited)
Revenue	12	45,610	46,922
Cost of sales		(40,636)	(41,638)
Gross profit		4,974	5,284
Revenue from rental income from investment properties	12	6,763	5,733
Other operating income		1,589	5,403
Selling and distribution expenses		(1,483)	(1,092)
Administrative expenses		(10,053)	(11,350)
Other operating expenses		(220)	(1,864)
Finance costs		(100)	(149)
Profit before taxation		1,470	1,965
Taxation	13	(1,334)	-
Net profit for the period		136	1,965
Other comprehensive income after tax			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of leasehold buildings and land use rights classified as right-of-use assets measured at fair value, net of tax		230	-
Total comprehensive income for the period attributable to owners of the Company		366	1,965
		Cents RMB	Cents RMB
Earnings per share:			
- Basic	15	0.1	1.1
- Diluted	15	0.1	1.1

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of changes in equity for the nine months ended 31 March 2022

The Group	Share capital RMB'000	Share- based payment reserve RMB'000	Statutory reserve RMB'000	Revaluation reserve RMB'000	Other reserve -non distributable RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 July 2021	322,210	2,016	72,449	42,805	29,349	(188,356)	280,473
Profit for the period	-	-	-	-	-	136	136
Other comprehensive income for the year	-	-	-	230	-	-	230
Total comprehensive income for the period	-	-	-	230	-	136	366
At 31 March 2022	322,210	2,016	72,449	43,035	29,349	(188,220)	280,839

The Group	Share capital RMB'000	Share- based payment reserve RMB'000	Statutory reserve RMB'000	Revaluation reserve RMB'000	Other reserve -non distributable RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 July 2020	322,210	2,016	72,449	41,740	29,349	(168,068)	299,696
Profit for the period	-	-	-	-	-	1,965	1,965
Total comprehensive income for the period	-	-	-	-	-	1,965	1,965
At 31 March 2021 (Unaudited)	322,210	2,016	72,449	41,740	29,349	(166,103)	301,661

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of cash flows

for the nine months ended 31 March 2022

	Nine months ended 31 March	
	2022 RMB'000	2021 RMB'000 (Unaudited)
The Group		
Cash Flows from Operating Activities		
Profit before taxation	1,470	1,965
Adjustments for:		
Depreciation of plant and equipment	165	141
Depreciation of right-of-use assets	2,162	2,129
Amortisation of intangible assets	18	18
Bad debts written off	-	68
Exchange loss	142	937
Gain on disposal of plant and equipment	-	(3,555)
Interest expense	100	149
Interest income	(345)	(70)
Plant and equipment written off	1	12
Operating cash flows before working capital changes	3,713	1,794
Decrease in inventories	4,834	6,646
Increase in trade and other receivables and prepayments	(8,832)	(8,282)
(Decrease)/Increase in trade and other payables	(493)	15,361
Cash (used in)/generated from operations	(778)	15,519
Income tax paid	(74)	-
Interest received	345	70
Net cash (used in)/generated from operating activities	(507)	15,589
Cash Flows from Investing Activities		
Acquisition of plant and equipment	(821)	(967)
Acquisition of right-of-use assets	-	(3,034)
Acquisition of investment properties	-	(11,746)
Proceeds from disposal of plant and equipment	-	3,584
Net cash used in investing activities	(821)	(12,163)
Cash Flows from Financing Activities		
Proceeds from bank borrowings	-	2,000
Repayment of bank borrowings – principal	(2,262)	(2,303)
Repayment of bank borrowings – interest	(100)	(149)
Net cash used in financing activities	(2,362)	(452)
Net (decrease)/increase in cash and cash equivalents	(3,690)	2,974
Cash and cash equivalents at beginning of period	29,121	22,364
Effect on foreign exchange of rate changes on cash and cash equivalents	(279)	(1,135)
Cash and cash equivalents at end of period	25,152	24,203

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

These notes form an integral part of the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements were authorised for issue by the directors on 13 May 2022.

1 Domicile and activities

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 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, the People's Republic of China ("PRC").

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 8 to the condensed consolidated interim financial statements.

2.1 Basis of preparation

The condensed consolidated interim financial statements of the Group and the Company 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 and the Company's financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2021.

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 2021.

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 2021, which were prepared in accordance with SFRS(I)s.

The condensed consolidated interim financial statements are 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.

2.2 Use of judgements and estimates

In preparing the condensed consolidated interim 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 described in the last annual financial statements.

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.

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.

3 Seasonal operations

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

However, when the World Health Organisation recognised the spread of COVID-19 as a pandemic in March 2020, many countries responded with containment measures of varying degrees in the bid to curb the spread. This led to reduced economic activities, including the halting of construction activities in countries which the Group operates in. Resumption of construction activities as the economies reopen have also been slow.

4 Plant and equipment

The Company	Office equipment RMB'000	Total RMB'000
At 30 June 2021		
Cost	14	14
Accumulated depreciation and impairment loss	14	14
Net book value at 30 June 2021	-	-
9 months ended 31 March 2022		
<u>Cost</u>		
At 1 July 2021	14	14
Additions	-	-
At 31 March 2022	14	14
<u>Accumulated depreciation and impairment loss</u>		
At 1 July 2021	14	14
Depreciation for the period	-	-
At 31 March 2022	14	14
Comprising:		
- Accumulated depreciation	14	14
- Accumulated impairment loss	-	-
At 31 March 2022	14	14
<u>Net book value</u>		
At 31 March 2022	-	-

Yamada Green Resources Limited and its subsidiaries
Notes to the condensed consolidated interim financial statements
Nine months ended 31 March 2022

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4 Plant and equipment (Cont'd)

The Group	Motor vehicles RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Fixtures and fittings RMB'000	Construction -in-progress ("CIP") RMB'000	Total RMB'000
At 30 June 2021						
Cost	384	83	1,074	206	140	1,887
Accumulated depreciation and impairment loss	146	60	220	101	-	527
Net book value at 30 June 2021	238	23	854	105	140	1,360
9 months ended 31 March 2022						
At cost						
At 1 July 2021	384	83	1,074	206	140	1,887
Additions	-	-	-	16	805	821
Written off	-	-	-	(6)	-	(6)
At 31 March 2022	384	83	1,074	216	945	2,702
Accumulated depreciation and impairment loss						
At 1 July 2021	146	60	220	101	-	527
Depreciation for the period	52	1	76	36	-	165
Written off	-	-	-	(5)	-	(5)
At 31 March 2022	198	61	296	132	-	687
Net book value						
At 31 March 2022	186	22	778	84	945	2,015

5 Right-of-use assets

	Leasehold buildings RMB'000	Land use rights RMB'000	Total RMB'000
The Group			
At 30 June 2021			
At valuation	30,423	19,017	49,440
Accumulated depreciation and impairment loss	1,535	5,957	7,492
Net book value at 30 June 2021	28,888	13,060	41,948
9 months ended 31 March 2022			
<u>At Valuation</u>			
At 1 July 2021	30,423	19,017	49,440
Additions	-	-	-
At 31 March 2022	30,423	19,017	49,440
<u>Accumulated amortisation and impairment loss</u>			
At 1 July 2021	1,535	5,957	7,492
Depreciation/amortisation during the period	1,756	406	2,162
At 31 March 2022	3,291	6,363	9,654
Comprising:			
- Accumulated depreciation	1,756	406	2,162
- Accumulated impairment loss	1,535	5,957	7,492
<u>Net book value</u>			
At 31 March 2022	27,132	12,654	39,786

As at 31 March 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 2021 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 cost 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.

6 Intangible assets

The Group	RMB'000
At 30 June 2021	
Cost	120
Accumulated depreciation and impairment loss	65
Net book value at 30 June 2021	55
9 months ended 31 March 2022	
<u>Cost</u>	
At 1 July 2021	120
Additions	-
At 31 March 2022	120
<u>Accumulated amortisation</u>	
At 1 July 2021	65
Amortisation for the period	18
At 31 March 2022	83
<u>Net book value</u>	
At 31 March 2022	37

7 Investment properties

	Leasehold buildings RMB'000	Total RMB'000
The Company		
At 30 June 2021		
<u>At valuation</u>		
At valuation	7,685	7,685
Accumulated amortisation and impairment loss	-	-
Net book value at 30 June 2021	7,685	7,685
9 months ended 31 March 2022		
<u>At valuation</u>		
At 1 July 2021	7,685	7,685
Fair value adjustments	-	-
At 31 March 2022	7,685	7,685

7 Investment properties (Cont'd)

	Leasehold buildings RMB'000	Land use rights RMB'000	Total RMB'000
The Group			
At 30 June 2021			
At valuation			
At valuation	229,867	10,900	240,767
Accumulated amortisation and impairment loss	-	-	-
Net book value at 30 June 2021	229,867	10,900	240,767
9 months ended 31 March 2022			
At valuation			
At 1 July 2021	229,867	10,900	240,767
Fair value adjustments	-	-	-
At 31 March 2022	229,867	10,900	240,767

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 March 2022. However, the Group had taken into account the factors such as the market rental rates and changes in tenants during this financial period. There were no major aspects that have impacted the fair value of the investment properties as at 31 March 2022.

The fair value of the investment properties as at financial year ended 30 June 2021 was based on valuations performed by independent professional valuers, Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. and Savills Valuation and Professional Services Limited (2020 - Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. and Jones Lang LaSalle Corporate Appraisal and Advisory Limited).

The valuers have considered 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 2021 (30 June 2020: 5.5% - 6%).

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.

As announced on 19 January 2022, the Group's wholly owned subsidiary, Zhangping Fengwang Agricultural Products Co Ltd. ("Fengwang"), has received a notification from the Zhangping Municipal government of its plan 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 purposes of redevelopment planning. There are no further developments in relation to the above as of the date of these condensed consolidated interim financial statements.

8 Investments in subsidiaries

	31 March 2022 RMB'000	30 June 2021 RMB'000
The Company		
Unquoted equity investments, at cost	163,975	163,975
Additions	-	-
	163,975	163,975
<u>Impairment loss on investment in a subsidiary</u>		
Balance at beginning of period/year	(10,218)	(14,213)
Reversal	-	3,995
	(10,218)	(10,218)
Balance at end of period	153,757	153,757

During the financial year ended 30 June 2021, the Company assessed the carrying amounts of its investments in subsidiaries for indicators of impairment. Based on this assessment, the Company recognised a reversal of impairment loss of RMB 3,995,000 for a subsidiary from the Investment Properties segment as the recoverable amount is higher than its carrying amount.

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 March 2022 RMB'000	30 June 2021 RMB'000	31 March 2022 %	30 June 2021 %	
<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	Sales of edible Fungi, 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
		163,975	163,975			

9 Inventories

	31 March 2022 RMB'000	30 June 2021 RMB'000
The Group		
At cost:		
Finished goods	2,793	3,268
Goods in transit	1,968	1,786
Raw materials	6,338	10,879
	11,099	15,933

10 Share capital

	Number of ordinary shares		Amount	
	31 March 2022 '000	30 June 2021 '000	31 March 2022 RMB'000	30 June 2021 RMB'000
The Company and The Group				
Issued and fully paid ordinary shares with no par value:				
Balance at beginning and at end of period	176,798	176,798	322,210	322,210

Per Accounting and Corporate Regulatory Authority (“ACRA”) registered records, the gross issued and paid up capital as at 31 March 2022 is S\$69,312,309 (30 June 2021 - S\$69,312,309).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote per share at meetings of the Company. All shares rank equally with regard to the Company’s residual assets.

The Company did not hold any treasury shares as at 31 March 2022 and 30 June 2021. The Company did not have any outstanding convertibles and subsidiary holdings as at 31 March 2022 and 30 June 2021.

11 Bank borrowings

		The Company		The Group	
		31 March 2022 RMB'000	30 June 2021 RMB'000	31 March 2022 RMB'000	30 June 2021 RMB'000
Note					
Secured bank loan:					
#1 Term loan	(a)	4,003	4,402	4,003	4,402
#2 Bank loan	(b)	-	-	-	2,000
		4,003	4,402	4,003	6,402
Amount repayable:					
Not later than one year		340	400	340	2,400
Later than one year and not later than five years		1,601	1,601	1,601	1,601
Later than five years		2,062	2,401	2,062	2,401
		3,663	4,002	3,663	4,002
		4,003	4,402	4,003	6,402

11 Bank borrowings (Cont'd)

- (a) The term loan of S\$ 853,000 or equivalent to RMB 4,003,000 (30 June 2021 - S\$ 916,000 or equivalent to RMB 4,402,000) is repayable over 110 (30 June 2021 - 119) monthly instalments commencing from 13 July 2016 with a principal payment of S\$ 6,999 (30 June 2021 - S\$ 6,862) plus any applicable interest.

The loan is secured by a first ranking mortgage in the amount of S\$ 1,600,000 or equivalent to RMB 7,685,000 (30 June 2021 - S\$ 1,600,000 or equivalent to RMB 7,685,000 on its legal charges on an investment property - an office unit in Plus Building (Formerly known as GSH Plaza), Singapore.

The Company has financial covenants attached to this term loan which relate to restriction of limits imposed on certain ratios to be maintained. During the period ended 31 March 2022 and 30 June 2021, there are no known instances of any breach of loan covenants.

As at the end of the reporting period, the applicable floating interest rate is 0% (30 June 2021 - 0.1%) per annum below the applicable Enterprise Base Rate. The effective interest rate of the term loan ranges from 1.88% to 2.08% (30 June 2021 - 1.88% to 4.75%) per annum.

- (b) As at 30 June 2021, the bank loan of RMB 2,000,000 is repayable on 11 November 2021. This loan was secured by, inter-alia:
- a personal guarantee by a director of the Company, Chen Qiuhai; and
 - legal charges on the Group's leasehold buildings of RMB 11,416,000, land use rights of land area of 16,400.68 sqm and investment properties of RMB 74,584,000 belonging to a subsidiary, Wangsheng.

Interest is charged at 4.45% per annum. As at the date of these condensed consolidated interim financial statements, this bank loan has been fully repaid.

12 Revenue

	Nine months ended 31 March	
	2022	2021
	RMB'000	RMB'000
The Group		(Unaudited)
Processed food and food products – point in time	45,610	46,922
Revenue from rental income from investment properties – over time	6,763	5,733
	52,373	52,655

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point of time in the following major products lines and geographical regions. Revenue is attributed to countries by location of customers.

	At point in time RMB'000	Over time RMB'000	Total RMB'000
Nine months ended 31 March 2022			
- Japan	43,296	-	43,296
- PRC	2,314	6,586	8,900
- Singapore	-	177	177
	45,610	6,763	52,373
Nine months ended 31 March 2021 (unaudited)			
- Japan	40,889	-	40,889
- PRC	6,033	5,552	11,585
- Singapore	-	181	181
	46,922	5,733	52,655

13 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:

	Nine months ended 31 March	
	2022	2021
	RMB'000	RMB'000 (Unaudited)
The Group		
Current taxation		
- Current financial period	74	-
	74	-
Deferred taxation		
- Origination and reversal of temporary difference	1,260	-
	1,260	-
Tax expense	1,334	-

14 Profit before taxation

	Nine months ended 31 March	
	2022	2021
	RMB'000	RMB'000 (Unaudited)
The Group		
Profit before taxation has been arrived at after charging:		
Depreciation of plant and equipment	165	141
Depreciation of right-of-use assets	2,162	2,129
Amortisation of intangible assets	18	18
Interest expense	100	149
Bad debt written off	-	68
Plant and equipment written off	1	12
Foreign currency exchange loss	161	1,635
and crediting:		
Gain on disposal of plant and equipment	-	3,555
Government subsidies	172	891
Interest income	345	70

15 Earnings per share

	Nine months ended 31 March	
	2022	2021
	RMB'000	RMB'000 (Unaudited)
The Group		
Net profit attributable to equity holders of the Company	136	1,965
	'000	'000
Weighted average number of ordinary shares outstanding for the purpose of diluted earnings per share	176,798	176,798
	RMB	RMB
Basic earnings per share (cents)	0.1	1.1
Diluted earnings per share (cents)	0.1	1.1

15 Earnings per share (Cont'd)

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.

16 Statement of operations by segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker.

A segment is a distinguishable component of the Group that is engaged with either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of respective entities within Group.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense.

There is no change from the prior periods in the measurement methods used to determine reported segment profit or loss.

Allocation basis and transfer pricing

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax expense.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transaction with third parties, if any.

Business segments

The Group is organised into the following business segments, namely:

Processed food products

The processed food products segment comprises processed vegetable products and dietary fibre food products (including konjac-based processed food products).

Investment properties

The rental income from investment properties constitutes an operating business segment in accordance with accounting standard SFRS(I) 1-40.

Corporate

Corporate comprises the Company, which principal activity is that of investment holding company.

16 Statement of operations by segments (Cont'd)

(a) Business segments

The following tables present revenue, profit or loss and certain assets, liabilities and expenditure information for the Group for the nine months ended 31 March 2022 and 31 March 2021:

	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
<u>1 July 2021 to 31 March 2022</u>				
Revenue				
- Sale of goods	-	45,610	-	45,610
- Rental income from investment properties	6,763	-	-	6,763
Segment results	3,688	(86)	(2,377)	1,225
Interest income	-	345	-	345
Finance costs	(64)	(36)	-	(100)
Profit/(loss) before taxation	3,624	223	(2,377)	1,470
Taxation	(1,334)	-	-	(1,334)
Net profit/(loss)	2,290	223	(2,377)	136
Other segment items				
Capital expenditure				
- Plant and equipment	-	(821)	-	(821)
Depreciation and amortisation	-	(2,345)	-	(2,345)
Plant and equipment written off	-	(1)	-	(1)
Segment assets	228,943	103,494	401	332,838
Segment liabilities	4,047	15,763	1,298	21,108
	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
<u>1 July 2020 to 31 March 2021 (Unaudited)</u>				
Revenue				
- Sale of goods	-	46,922	-	46,922
- Rental income from investment properties	5,733	-	-	5,733
Segment results	4,023	(9)	(1,970)	2,044
Impairment of right-of-use assets	-	70	-	70
Finance costs	(82)	(67)	-	(149)
Profit/(loss) before taxation	3,941	(6)	(1,970)	1,965
Taxation	-	-	-	-
Net profit/(loss)	3,941	(6)	(1,970)	1,965
Other segment items				
Capital expenditure				
- Plant and equipment	-	967	-	967
- Right-of-use assets	-	3,034	-	3,034
- Investment properties	11,746	-	-	11,746
Plant and equipment written off	-	12	-	12
Depreciation and amortisation	-	2,288	-	2,288
Segment assets	266,012	108,204	332	374,548
Segment liabilities	4,627	26,181	2,057	32,865

16 Statement of operations by segments (Cont'd)

(b) Geographical segments

The following table shows the distribution of the Group's sales based on geographical location of customers:

	Nine months ended	
	31 March	
	2022	2021
	RMB'000	RMB'000
The Group		(Unaudited)
Revenue – sale of goods		
- Japan	43,296	40,889
- The People's Republic of China ("PRC")	2,314	6,033
	45,610	46,922
Revenue – rental income from investment properties		
- PRC	6,586	5,552
- Singapore	177	181
	6,763	5,733

(c) Reconciliation of segments' total assets and total liabilities

	31 March	30 June
	2022	2021
	RMB'000	RMB'000
The Group		
Reportable segments' assets are reconciled to total assets:		
Segment assets	332,838	333,430
VAT receivable	4,216	5,120
	337,054	338,550
Reportable segments' liabilities are reconciled to total liabilities:		
Segment liabilities	21,108	23,773
Deferred tax liabilities	35,003	33,973
VAT payable	-	5
Government tax payable	104	326
	56,215	58,077

17 Dividend

No interim dividends were paid by the Company in respect of the nine months ended 31 March 2022 and 2021.

18 Commitment

Commitment not reflected in the financial statements at the reporting date is as follows:

Capital commitments

As at reporting date, capital expenditure contracted for but not recognised in the financial statements is as follows:

	31 March 2022 RMB'000	30 June 2021 RMB'000
The Group		
Capital commitment in respect of:		
- acquisition of plant and equipment	635	-

19 Related party transactions

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and senior management are considered as key management personnel of the Group.

Key management personnel compensation comprised:

	Nine months ended 31 March 2022 RMB'000	2021 RMB'000 (Unaudited)
The Group		
Directors' fee	777	656
Short-term benefits	1,135	972
	1,912	1,628

In relation to the related party information disclosed elsewhere in the condensed consolidated interim financial statements, the following are significant transactions with related parties at mutually agreed amounts:

	Nine months ended 31 March 2022 RMB'000	2021 RMB'000 (Unaudited)
The Group		
Sales to an associate classified as held for sale	-	793
Purchases from an associate classified as held for sale	-	3,550

20 Financial instruments

The carrying amounts of each of the categories of financial instruments as at the end of the reporting periods are as follows:

	31 March 2022 RMB'000	30 June 2021 RMB'000
The Group		
<u>Financial assets at amortised cost</u>		
Trade and other receivables, excluding advance to supplier and VAT receivables	7,362	3,716
Cash and cash equivalents	25,152	29,121
	32,514	32,837
<u>Financial liabilities at amortised cost</u>		
Trade and other payables	17,209	17,702
Borrowings	4,003	6,402
	21,212	24,104
The Company		
<u>Financial assets</u>		
Trade and other receivables	171,915	171,507
Cash and cash equivalents	258	1,370
	172,173	172,877
<u>Financial liabilities</u>		
Trade and other payables	39,744	37,689
Borrowings	4,003	4,402
	43,747	42,091

21 Fair value measurements

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- 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 or indirectly; and
- Level 3 : unobservable inputs for the asset or liability.

The following table shows an analysis of each class of assets and liabilities measured at fair value at end of the reporting period:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
The Company 31 March 2022				
<u>Non-financial assets</u>				
Investment properties	-	-	7,685	7,685
30 June 2021				
<u>Non-financial assets</u>				
Investment properties	-	-	7,685	7,685

21 Fair value measurements (Cont'd)

The Group	Level 1	Level 2	Level 3	Total
31 March 2022	RMB'000	RMB'000	RMB'000	RMB'000
Non-financial assets				
Investment properties:				
- Leasehold buildings	-	-	229,867	229,867
- Land use rights	-	-	10,900	10,900
Right-of-use assets:				
- Leasehold buildings	-	-	27,132	27,132
- Land use rights	-	-	12,654	12,654
30 June 2021				
Non-financial assets				
Investment properties:				
- Leasehold buildings	-	-	229,867	229,867
- Land use rights	-	-	10,900	10,900
Right-of-use assets:				
- Leasehold properties	-	-	28,888	28,888
- Land use rights	-	-	13,060	13,060

There were no transfers into or out of fair value hierarchy levels for financial periods ended 31 March 2022 and 31 March 2021.

22 Adoption of new standards

The following new SFRS(I)s, amendments to and interpretations of SFRS(I)s are effective for annual periods beginning after 1 July 2021:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	<i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendment to SFRS(I) 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
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:		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
SFRS(I) 17	<i>Insurance Contracts</i>	1 January 2023
Amendments to SFRS(I) 1-1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 17	<i>Insurance Contracts</i>	1 January 2023
Amendments to SFRS(I) 4	<i>Extension of the Temporary Exemption from Applying SFRS(I) 9</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be determined

The directors do not anticipate that the adoption of the above SFRS(I)s in the future periods will have a material impact on the condensed consolidated interim financial statements.

23 Subsequent events

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