



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

Unaudited condensed consolidated interim financial statements
For the nine months ended 31 March 2022

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

	Note	Group					
		3 months ended 31 March			9 months ended 31 March		
		2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000	Increase / (Decrease) %	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000	Increase / (Decrease) %
Revenue	5	16,691	15,790	5.7	45,610	46,922	(2.8)
Cost of sales		(14,652)	(13,903)	5.5	(40,636)	(41,638)	(2.4)
Gross profit		2,039	1,887	8.1	4,974	5,284	(5.9)
Revenue from investment properties	5	2,278	1,941	17.4	6,763	5,733	18.0
Other operating income	6	169	1,352	(87.5)	1,589	5,403	(70.6)
Selling and distribution expenses		(689)	(477)	44.5	(1,483)	(1,092)	35.8
Administrative expenses		(2,970)	(4,077)	(27.2)	(10,053)	(11,350)	(11.4)
Other operating expenses	6	(59)	-	n.m.	(220)	(1,864)	(88.2)
Finance costs	6	(21)	(45)	(53.3)	(100)	(149)	(32.9)
Profit before taxation		747	581	28.6	1,470	1,965	(25.2)
Taxation	7	(1,260)	-	n.m.	(1,334)	-	n.m.
Net Profit for the period		(513)	581	n.m.	136	1,965	(93.1)
Other comprehensive income							
Item that will never 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	-	n.m.	230	-	n.m.
Total comprehensive income		230	-	n.m.	230	-	n.m.
Total comprehensive income for the year attributable to:							
Owners of the Company		(283)	581	n.m.	366	1,965	(81.4)
Earnings/ (loss) per share (RMB' cent)	8						
- Basic		(0.3)	0.3		0.1	1.1	
- Diluted		(0.3)	0.3		0.1	1.1	

n.m.: not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		31 March 2022 (Unaudited) RMB'000	30 June 2021 (Audited) RMB'000	31 March 2022 (Unaudited) RMB'000	30 June 2021 (Audited) RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	Note 11	2,015	1,360	-	-
Right-of-use assets	12	39,786	41,948	-	-
Intangible assets	14	37	55	-	-
Investment properties	13	240,767	240,767	7,685	7,685
Investments in subsidiaries	10	-	-	153,757	153,757
Total non-current assets		282,605	284,130	161,442	161,442
Current assets					
Inventories	15	11,099	15,933	-	-
Trade and other receivables		12,096	9,280	171,915	171,507
Prepayments		6,102	86	142	83
Cash and bank balances		25,152	29,121	258	1,370
		54,449	54,420	172,315	172,960
Total assets		337,054	338,550	333,757	334,402
Equity					
Share capital	17	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		(188,220)	(188,356)	(34,216)	(31,915)
Total equity attributable to owners of the Company		280,839	280,473	290,010	292,311
LIABILITIES					
Non-current liabilities					
Bank borrowings	16	3,663	4,002	3,663	4,002
Deferred tax liabilities		35,003	33,973	-	-
Total non-current liabilities		38,666	37,975	3,663	4,002
Current liabilities					
Trade and other payables		17,209	17,702	39,744	37,689
Bank borrowings	16	340	2,400	340	400
Total current liabilities		17,549	20,102	40,084	38,089
Total liabilities		56,215	58,077	43,747	42,091
Total equity and liabilities		337,054	338,550	333,757	334,402

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Group						Total equity
	Share capital	Other reserve –non distributable	Share-based payment reserve	Statutory reserve	Revaluation reserve	Accumulated losses	
(RMB'000)							
<u>FY2022</u> <u>(Unaudited)</u>							
Balance at 1 July 2021	322,210	29,349	2,016	72,449	42,805	(188,356)	280,473
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	451	451
Balance as at 30 September 2021	322,210	29,349	2,016	72,449	42,805	(187,905)	280,924
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	198	198
Balance as at 31 December 2021	322,210	29,349	2,016	72,449	42,805	(187,707)	281,122
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	230	(513)	(283)
Balance as at 31 March 2022	322,210	29,349	2,016	72,449	43,035	(188,220)	280,839

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	Group						
	Share capital	Other reserve –non distributable	Share- based payment reserve	Statutory reserve	Revaluation reserve	Accumulated losses	Total equity
(RMB'000)							
<u>FY2021</u>							
<u>(Unaudited)</u>							
Balance at 1 July 2020	322,210	29,349	2,016	72,449	41,740	(168,068)	299,696
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	992	992
Balance as at 30 September 2020	322,210	29,349	2,016	72,449	41,740	(167,076)	300,688
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	392	392
Balance as at 31 December 2020	322,210	29,349	2,016	72,449	41,740	(166,684)	301,080
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	581	581
Balance as at 31 March 2021	322,210	29,349	2,016	72,449	41,740	(166,103)	301,661

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	Company			Total equity
	Share capital	Share-based payment reserve	Accumulated losses	
(RMB'000)				
<u>FY2022 (Unaudited)</u>				
Balance as at 1 July 2021	322,210	2,016	(31,915)	292,311
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(774)	(774)
Balance as at 30 September 2021	322,210	2,016	(32,689)	291,537
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(689)	(689)
Balance as at 31 December 2021	322,210	2,016	(33,378)	290,848
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(838)	(838)
Balance as at 31 March 2022	322,210	2,016	(34,216)	290,010
(RMB'000)				
<u>FY2021 (Unaudited)</u>				
Balance as at 1 July 2020	322,210	2,016	(33,474)	290,752
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(695)	(695)
Balance as at 30 September 2020	322,210	2,016	(34,169)	290,057
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(828)	(828)
Balance as at 31 December 2020	322,210	2,016	(34,997)	289,229
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(371)	(371)
Balance as at 31 March 2021	322,210	2,016	(35,368)	288,858

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group			
	3 months ended 31 March		9 months ended 31 March	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Cash flows from operating activities:				
Profit/ (loss) before taxation	747	581	1,470	1,965
Adjustments for:				
Amortisation of intangible assets	6	6	18	18
Bad debts written off	-	-	-	68
Depreciation of property, plant and equipment	54	53	165	141
Depreciation of right of use assets	721	860	2,162	2,129
Gain on disposal of property, plants and equipment	-	-	-	(3,555)
Interest expense	21	45	100	149
Interest income	(150)	(15)	(345)	(70)
Property, plant and equipment written off	1	-	1	12
Exchange (gain) / loss	42	(6)	142	937
Operating cash flow before working capital changes	1,442	1,524	3,713	1,794
Working Capital Changes:				
Inventories	2,338	2,906	4,834	6,646
Trade and other receivables and prepayments	(8,461)	(447)	(8,832)	(8,282)
Trade and other payables	(284)	3,010	(493)	15,361
Cash (used in)/ generated from operations	(4,965)	6,993	(778)	15,519
Interest received	150	15	345	70
Income tax paid	-	-	(74)	-
Net cash (used in)/ generated from operating activities	(4,815)	7,008	(507)	15,589
Cash flows from investing activities:				
Acquisition of property, plant and equipment	(313)	(6,652)	(821)	(15,747)
Proceeds from disposal of property, plant and equipment	-	-	-	3,584
Net cash used in investing activities	(313)	(6,652)	(821)	(12,163)
Cash flows from financing activities:				
Proceeds from bank borrowings	-	-	-	2,000
Repayment of bank borrowings	(99)	(121)	(2,262)	(2,303)
Interest paid	(21)	(45)	(100)	(149)
Net cash used in financing activities	(120)	(166)	(2,362)	(452)
Net (decrease)/ increase in cash and cash equivalents	(5,248)	190	(3,690)	2,974
Cash and cash equivalents at beginning of the financial period	30,464	24,053	29,121	22,364
Effect of foreign exchange rate changes on cash and cash equivalents	(64)	(40)	(279)	(1,135)
Cash and cash equivalents at end of the financial period	25,152	24,203	25,152	24,203

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 MARCH 2022**1. General Information**

Yamada Green Resources Limited (the “Company”) is a public limited liability company and domiciled in Singapore. 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, the People’s Republic of China (“PRC”). The condensed interim consolidated financial statements as at and for the nine months ended 31 March 2022 comprise the Company and its subsidiaries (collectively, the Group)

The principal activity of the Company is that of an investment holdings company. The principal activities of the Group are sales of processed food products and edible fungi, and rental revenue from investment properties.

2. Basis of preparation

These consolidated financial statements are unaudited and prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They do not include all of the information required for full annual financial statements and should be read in conjunction with the last audited annual financial statements for the year ended 30 June 2021 (“FY2021 Audited Financial Statements”).

The FY2021 Audited Financial Statements were prepared under Singapore Financial Reporting Standards(International) (SFRS(I)).

The accounting policies and presentation adopted for this unaudited consolidated interim financial report are consistent with those adopted for the FY2021 Audited Financial Statements.

The 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.

3. Use of judgements and estimates

In preparing the condensed 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 that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

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.

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.

	Investment properties	Processed food products	Corporate	Total
	RMB'000	RMB'000	RMB'000	RMB'000
1 July 2021 To 31 March 2022				
Revenue				
- Sale of goods	-	45,610	-	45,610
- Revenue from investment properties	6,763	-	-	6,763
Results				
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)
Profit/ (Loss) after taxation	2,290	223	(2,377)	136
Other segment items				
Capital expenditure				
- property, plant and equipment	-	(821)	-	(821)
Property, plant and equipment written off	-	(1)	-	(1)
Depreciation and amortisation	-	(2,345)	-	(2,345)
Segment assets	228,943	103,494	401	332,838
Segment liabilities	4,047	15,763	1,298	21,108
1 July 2020 To 31 March 2021				
Revenue				
Sale of goods	-	46,922	-	46,922
Revenue from investment properties	5,733	-	-	5,733
Results				
Segment results	4,023	(9)	(1,970)	2,044
Interest income	-	70	-	70
Finance costs	(82)	(67)	-	(149)
Profit/ (Loss) before taxation	3,941	(6)	(1,970)	1,965
Taxation	-	-	-	-
Profit/ (Loss) after taxation	3,941	(6)	(1,970)	1,965
Other segment items				
Capital expenditure				
- property, plant and equipment	-	967	-	967
- rights-of-use assets	-	3,034	-	3,034
- investment property	11,746	-	-	11,746
Property, plant and equipment written off	-	12	-	12
Depreciation and amortisation	-	2,288	-	2,288
Segment assets	266,012	108,205	332	374,548
Segment liabilities	4,627	26,181	2,057	32,865

Reconciliation of segments' total assets and total liabilities:

The Group

	31 March 2022 RMB'000 (Unaudited)	30 June 2021 RMB'000 (Audited)
Reportable segments' assets are reconciled to total assets:		
Segment assets	332,838	333,430
VAT receivable	4,216	5,120
	337,054	338,550

	31 March 2022 RMB'000 (Unaudited)	30 June 2021 RMB'000 (Audited)
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
	<u>56,215</u>	<u>58,077</u>

Geographical Information

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

	Group			
	3 months ended 31 March		9 months ended 31 March	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Sales of goods				
- China (domicile)	490	1,541	2,314	6,033
- Japan	16,201	14,249	43,296	40,889
Total	<u>16,691</u>	<u>15,790</u>	<u>45,610</u>	<u>46,922</u>
Revenue from investment properties				
- China (domicile)	2,219	1,880	6,586	5,552
- Singapore	59	61	177	181
Total	<u>2,278</u>	<u>1,941</u>	<u>6,763</u>	<u>5,733</u>

Timing of revenue recognition

	Group			Group		
	<u>3 months ended 31 March 2022</u>			<u>9 months ended 31 March 2022</u>		
	(Unaudited)			(Unaudited)		
	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	16,691	-	16,691	45,610	-	45,610
Revenue from investment properties	-	2,278	2,278	-	6,763	6,763
Total	<u>16,691</u>	<u>2,278</u>	<u>18,969</u>	<u>45,610</u>	<u>6,763</u>	<u>52,373</u>
	<u>3 months ended 31 March 2021</u>			<u>9 months ended 31 March 2021</u>		
	(Unaudited)			(Unaudited)		
	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	15,790	-	15,790	46,922	-	46,922
Revenue from investment properties	-	1,941	1,941	-	5,733	5,733
Total	<u>15,790</u>	<u>1,941</u>	<u>17,731</u>	<u>46,922</u>	<u>5,733</u>	<u>52,655</u>

6. 6.1 Profit before Tax

Significant items

	Group					
	3 months ended 31 March			9 months ended 31 March		
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000	Increase/ (Decrease) %	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000	Increase/ (Decrease) %
Amortisation of intangible assets	(6)	(6)	-	(18)	(18)	-
Depreciation of property, plant and equipment	(54)	(53)	1.9	(165)	(141)	16.3
Depreciation of rights-of-use assets	(720)	(860)	(16.2)	(2,162)	(2,129)	1.6
Interest expense	(21)	(45)	(55.6)	(100)	(149)	(32.9)
Included in other operating income:-						
Gain on disposal of property, plants and equipment	-	-	-	-	3,555	n.m.
Government subsidies	-	323	n.m.	172	891	(80.7)
Interest income	150	15	900.0	345	70	392.9
Foreign currency exchange gain, net	-	793	n.m.	-	-	-
Included in other operating expenses:-						
Foreign currency exchange loss, net	(57)	-	n.m.	(161)	(1,635)	(90.2)
Property, plant and equipment written off	(1)	-	n.m.	(1)	(12)	(91.7)
Bad debt written off	-	-	-	-	(68)	n.m.

n.m.: not meaningful

6.2 Related party transactions

There is no material related party transaction in the reporting periods.

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	
	<u>9 months ended 31 March</u>	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax expense	74	-
Deferred tax -Origination and reversal of temporary difference	1,260	-
Total income tax expense	<u>1,334</u>	<u>-</u>

8. Earnings per share

	Group			
	<u>3 months ended 31 March</u>		<u>9 months ended 31 March</u>	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit/ (loss) after tax for the year (RMB'000)	(513)	581	136	1,965
- Basic earnings/ (losses) per share (RMB cents)	(0.3)	0.3	0.1	1.1
- Diluted earnings/ (losses) per share (RMB cents)	(0.3)	0.3	0.1	1.1

Earnings per share is calculated based on the Group's net profit after tax for the period divided by the total number of issued share capital of the Company amounting to 176,798,164 shares for the three-month and nine-month period ended 31 March 2022 (31 March 2021: 176,798,164).

9. Net asset value

	Group		Company	
	<u>31 March</u>	<u>30 June</u>	<u>31 March</u>	<u>30 June</u>
	2022	2021	2022	2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net Asset Value per share (RMB cents)	158.8	158.6	164.0	165.3

The net asset value per ordinary share of the Group and the Company as at 31 March 2022 and 30 June 2021 was calculated based on the total number of issued share capital of the Company of 176,798,164 as at 31 March 2022 and 30 June 2021 respectively.

10. Investment in Subsidiaries

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

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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 %	
Held by the Company						
Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng")	The People's Republic of China ("PRC")	149,762	149,762	100	100	Production and sales of processed food products, rental revenue from investment properties
Nanping Yuanwang Foods Co., Ltd ("Yuanwang")	PRC	14,213	14,213	100	100	Rental revenue from investment properties
Held by Fujian Wangsheng Industrial Co., Ltd.						
Zhangping Fengwang Agricultural Products Co., Ltd ("Fengwang")	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")	Hong Kong	-	-	100	100	Sales of processed food products
		163,975	163,975			

11. Property, plant and equipment

During the nine months under review, the Group acquired assets amounting to RMB0.8 million (31 March 2021: RMB15.7 million). There was property, plants and equipment written off of one thousand Renminbi (31 March 2021: RMB0.01 million). There was no disposal of property, plants and equipment during this financial period (31 March 2021: RMB0.03 million).

12. Rights-of-use assets

9 months ended 31 March 2022 (Unaudited)	Leasehold buildings RMB'000	Land use rights RMB'000	Total RMB'000
The Group			
Balance at 30 June 2021	30,423	19,017	49,440
Balance at 31 March 2022	30,423	19,017	49,440
Accumulated depreciation and impairment			
Balance at 30 June 2021	1,535	5,957	7,492
Depreciation/amortisation during the period	1,756	406	2,162
Balance at 31 March 2022	3,291	6,363	9,654
Carrying amount:			
Balance at 31 March 2022	27,132	12,654	39,786

At 30 June 2021 (Audited)			
	Leasehold buildings RMB'000	Land use rights RMB'000	Total RMB'000
The Group			
Balance at 30 June 2020	38,123	17,077	55,200
Transfer from properties, plant and equipment	4,775	-	4,775
Transfer to investment properties	(8,661)	-	(8,661)
Elimination of accumulated depreciation	(2,398)	(464)	(2,862)
Revaluation adjustments	(1,416)	2,404	988
Balance at 30 June 2021	30,423	19,017	49,440
Accumulated depreciation and impairment			
Balance at 30 June 2020	1,005	5,957	6,962
Depreciation/amortisation during the year	2,398	464	2,862
Elimination of accumulated depreciation	(2,398)	(464)	(2,862)
Impairment during the year	530	-	530
Balance at 30 June 2021	1,535	5,957	7,492
Carrying amount:			
Balance at 30 June 2021	28,888	13,060	41,948

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.

13. Investment property

9 months ended 31 March 2022 (Unaudited)			
	Leasehold buildings RMB'000	Land use rights RMB'000	Total RMB'000
The Group			
Balance at beginning and end of the financial period	229,867	10,900	240,767

At 30 June 2021 (Audited)			
	Leasehold buildings RMB'000	Land use rights RMB'000	Total RMB'000
The Group			
Balance at 30 June 2020	220,426	10,490	230,916
Transfer from properties, plant and equipment	27,679	-	27,679
Transfer from ROU assets	8,661	-	8,661
Fair value changes	(26,899)	410	(26,489)
Balance at 30 June 2021	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.

14. Intangible assets

	31 March 2022 (Unaudited) RMB'000	30 June 2021 (Audited) RMB'000
The Group		
<u>Cost</u>		
Balance at beginning and end of the financial period	120	120
<u>Accumulated amortisation</u>		
Balance at beginning of period	65	40
Amortisation for the period	18	25
Balance at end of period	83	65
Net book value at end of period	37	55

Intangible assets are relating to computer software acquired, which are not an integral part of related hardware. The assets are capitalized 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.

15. Inventories

	31 March 2022 (Unaudited) RMB'000	30 June 2021 (Audited) 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
Balance at end of period	11,099	15,933

16. Borrowings

Amount repayable in one year or less, or on demand

As at 31 March 2022 (Unaudited)		As at 30 June 2021 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
340	N.A.	2,400	N.A.

Amount repayable after one year

As at 31 March 2022 (Unaudited)		As at 30 June 2021 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
3,663	N.A.	4,002	N.A.

Details of any collateral

The Company's wholly-owned subsidiary, Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng"), has entered into a multiple credit facility agreement dated 26 February 2019 with China Everbright Bank in relation to a credit facility of up to an aggregate principal amount of RMB50.0 million to be granted by the China Everbright Bank commencing from 26 February 2019 to 25 February 2022 (the "Facility Agreement"). Wangsheng has pledged its factory and office building in Houyu Jingxi Town, Minhou County, Fuzhou City, Fujian Province as securities under the Facility Agreement.

In addition, Wangsheng has also been granted a credit facility (the "Facility") of up to an amount of RMB15.0 million from 1 November 2019 to 31 October 2022 by the Postal Savings Bank of China. Mr Chen Qiu Hai, the Executive Director and Chief Executive Officer of the Company has provided a personal guarantee for payment of all monies and liabilities owed by Wangsheng to Postal Savings Bank of China up to RMB15.0 million. Wangsheng has pledged partial factories and buildings in Minhou County, Fuzhou City, Fujian Province as securities pursuant to the Facility. In November 2020, Wangsheng drew down an amount of RMB2.0 million from the amount granted by Postal Savings Bank of China for general working capital purposes.

As announced on 16 December 2021, the Company has fully repaid and terminated the above-mentioned bank facilities with China Everbright Bank and Postal Savings Bank of China. Also, all securities granted in relation to the above facilities have been released.

In addition, 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. On 14 July 2020, the Company has accepted a letter of offer which stipulated the variation of terms of the mortgage loan from Hong Leong Finance.

As at 31 March 2022, the Group's outstanding loan amount was approximately RMB4.0 million, of which approximately RMB0.3 million is repayable within 1 year and the rest of the loan amount is repayable after 1 year.

17. Share capital

	31 March 2022	30 June 2021
	Number of shares '000	Number of shares '000
Number of issued shares		
Balance at beginning and at end of period	<u>176,798</u>	<u>176,798</u>
	31 March 2022	30 June 2021
	RMB'000	RMB'000
Ordinary shares issued and fully paid		
Balance at beginning and at end of period	<u>322,210</u>	<u>322,210</u>

The Company did not hold any treasury shares as at 31 March 2022 and 31 March 2021.

The Company did not have any outstanding convertibles and subsidiary holdings as at 31 March 2022 and 31 March 2021.

18. 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 Group's figures for the nine-month period ended 31 March 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.

In addition, the Group's figures for the six months period ended 31 December 2021 were also reviewed by the Company's auditors in accordance with the aforesaid mentioned paragraph and is attached to this financial statement announcement. There are no qualifications or emphasis of matters in the auditor's review report.

2. Review of Performance**Q3FY2022 vs Q3FY2021**

Revenue derived from the food processing business was RMB16.7 million for the third quarter ended 31 March 2022 ("Q3FY2022"), representing an increase of RMB0.9 million or 5.7% as compared to RMB15.8 million in the third quarter ended 31 March 2021 ("Q3FY2021"). This was mainly attributable to an increase in sales of the processed food products in overseas markets as a result of a higher demand in the Japanese markets during the financial period.

In tandem with the increase in revenue, gross profit increased by RMB0.1 million from RMB1.9 million in Q3FY2021 to RMB 2.0 million in Q3FY2022. Gross profit margin increased from 12% in Q3FY2021 to 12.2% in Q3FY2022.

Income generated from investment properties increased by RMB0.4 million or 17.4% to RMB2.3 million in Q3FY2022 from RMB1.9 million in Q3FY2021. This primarily arose from an increase in space rented out during the financial period.

Other operating income decreased by RMB1.2 million from RMB1.4 million in Q3FY2021 to RMB0.2 million in Q3FY2022. This was primarily as a result of the absence of government subsidies and foreign currency exchange gain recorded in Q3FY2021.

Selling and distribution expenses increased by RMB0.2 million to RMB0.7 million in Q3FY2022 from RMB0.5 million in Q3FY2021. The increase was mainly due to higher transportation cost incurred in Q3FY2022, particularly as a result of higher export sales to overseas markets during the period.

Administrative expenses decreased by RMB1.1 million or 27.2% to RMB3.0 million in Q3FY2022 from RMB4.1 million in Q3FY2021, mainly due to a decrease in provision for professional fees and reclassification of part of the administrative expenses to cost of sales based on the nature of the expenses incurred during the financial period. The reclassification did not have a significant impact to these condensed consolidated interim financial statements.

There were other operating expenses of RMB0.1 million incurred in Q3FY2022 whereas there was no other operating expenses recorded in Q3FY2021. The expenses incurred in the financial period was primarily due to foreign currency exchange loss as US Dollar depreciated against the Renminbi during the period.

Finance costs decreased by RMB0.02 million from RMB0.04 million in Q3FY2021 to RMB0.02 million in Q3FY2022, mainly due to repayments of bank borrowings during the financial period.

In Q3FY2022, the Group recorded deferred income tax expenses on the fair value of the investment properties of RMB1.3 million. The deferred tax liability in respect of the Group's investment properties is measured as the difference between the carrying amounts and its tax base.

As a result of the above, the Group recorded a net loss after tax of RMB0.5 million in Q3FY2022 as compared to a net profit after tax of RMB0.6 million in Q3FY2021.

9MY2022 vs 9MFY2021

For the nine months ended 31 March 2022 (“9MFY2022”), revenue decreased by RMB1.3 million or 2.8% to RMB45.6 million as compared to RMB46.9 million for the nine months ended 31 March 2021 (“9MFY2021”). This was mainly due to a decrease in sales of the processed food products in local markets as the market conditions were impacted by the Covid-19 pandemic and the electricity curtailment in Fuzhou during the period. The decrease in revenue was partly offset by higher sales to overseas markets during the financial period.

In tandem with the decrease in revenue, gross profit decreased by RMB0.3 million or 5.9%, from RMB5.3 million in 9MFY2021 to RMB 5.0 million in 9MFY2022. Gross profit margin decreased from 11.3% in 9MFY2021 to 10.9% in 9MFY2022, primarily attributable to changes in sales of product mix.

Income derived from investment properties increased by RMB1.1 million or 18.0% to RMB6.8 million in 9MFY2022 from RMB5.7 million in 9MFY2021. This mainly arose from an increase in space rented out during the financial period.

Other operating income decreased by RMB3.8 million or 70.6% from RMB5.4 million in 9MFY2021 to RMB1.6 million in 9MFY2022. This was primarily attributable to the absence of gain on disposal of the property, plants and equipment amounting to RMB3.6 million recorded in 9MFY2021. Other operating income items recorded in 9MFY2022 comprised interest income, government subsidies and other miscellaneous income.

Selling and distribution expenses increased by RMB0.4 million or 35.8% to RMB1.5 million in 9MFY2022 from RMB1.1 million in 9MFY2021. The increase was primarily due to higher transportation cost, particularly as a result of higher export sales to overseas markets during the period.

Administrative expenses decreased by RMB1.3 million or 11.4% to RMB10.0 million in 9MFY2022 from RMB11.3 million in 9MFY2021, mainly due to a decrease in provision for professional fees and reclassification of part of the administrative expenses to cost of sales based on the nature of the expenses incurred during the financial period.

Other operating expenses decreased by RMB1.7 million or 88.2% to RMB0.2 million in 9MFY2022 from RMB1.9 million in 9MFY2021. This was primarily due to a lower foreign currency exchange loss as depreciation of the US Dollar against the Renminbi in 9MFY2022 was less significant as compared to the same period last year. Also, a bad debt written off of approximately RMB0.1 million recorded in 9MFY2021 was absent in 9MFY2022.

Finance costs decreased by RMB0.05 million from RMB0.15 million in 9MFY2021 to RMB0.10 million in Q3FY2022, mainly due to repayments of bank borrowings during the financial period.

The Group recorded income tax expenses of RMB1.3 million in 9MFY2022, mainly arose from the deferred income tax expenses on the fair value of its investment properties in accordance with the Group’s accounting policies.

Net profit for 9MFY2022 decreased to RMB0.1 million as compared to RMB2.0 million in 9MFY2021.

Review of Balance Sheet

As at 31 March 2022, non-current assets decreased by RMB1.5 million to RMB282.6 million as compared to RMB284.1 million as at 30 June 2021. The decrease was primarily attributable to amortization of intangible assets and depreciation of right-of-use assets and property, plants and equipment recorded in 9MFY2022. The decrease was partly offset by capital expenditure incurred mainly for construction of warehouse of our wholly-owned subsidiary, Nanping Yuanwang Food Co., Ltd during the financial period.

Current assets remained constant at RMB54.4 million as at 31 March 2022 and 30 June 2021. There was an increase in prepayments made to contractors for reconstruction and renovation of factory and

investment properties in Fuzhou. Also, trade receivables increased in 9MFY2022 as a result of higher export sales of the processed food products and higher rent receivable in the investment property segment. The foregoing increases were offset by decreases in cash and bank balances, and inventories. The lower inventories was mainly due to the enhancement of inventory management to better control the inventory level.

Non-current liabilities increased by RMB0.7 million to RMB38.7 million as at 31 March 2022 from RMB38.0 million as at 30 June 2021, mainly due to an increase in the deferred tax liabilities derived from the deferred income tax on the difference in the carrying amounts and tax bases of the investment properties and right-of-use assets. The increase was partly offset by repayments of bank loans.

Current liabilities decreased by RMB2.6 million to RMB17.5 million as at 31 March 2022 from RMB20.1 million as at 30 June 2021, mainly due to repayments of bank loans during 9MFY2022.

Total equity increased by RMB0.3 million from RMB280.5 million as at 30 June 2021 to RMB280.8 million as at 31 March 2022, mainly attributable to the net profit after tax of RMB0.1 million and other comprehensive income of RMB0.2 million arising from an adjustment to the deferred tax liability on the right-of-use assets.

Review of Cash Flow Statement

Q3FY2022 vs Q3FY2021

For the three months ended 31 March 2022, the Group recorded net cash used in operating activities of RMB4.8 million. This mainly comprised cash generated from operating activities before changes in working capital of RMB1.4 million, working capital outflow of RMB6.4 million and net cash inflow of RMB0.2 million from interest received. The working capital outflow primarily arose from higher trade receivables and repayments, partially offset by lower inventories.

Net cash used in investing activities of RMB0.3 million in Q3FY2022 was mainly attributable to capital expenditure incurred for construction of warehouse of our subsidiary in Nanping.

There was a net cash outflow of RMB0.1 million in financing activities in Q3FY2022 due to repayments of bank loans and interest.

9MFY2022 vs 9MFY2021

For the nine months ended 31 March 2022, there was net cash used in operating activities of RMB0.5 million. This included cash generated from operating activities before changes in working capital of RMB3.7 million, working capital outflow of RMB4.5 million and net cash inflow of RMB0.3 million from interest received and income tax paid. The working capital outflow was mainly attributable to higher trade receivables and prepayments, partially offset by lower inventories.

Net cash used in investing activities of RMB0.8 million in 9MFY2022 was mainly due to capital expenditure incurred for construction of warehouse of our subsidiary in Nanping.

Net cash outflow of RMB2.4 million in financing activities in 9MFY2022 primarily arose from repayments of bank loans 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.

In the midst of ongoing Covid-19 pandemic, we will continue to explore new customers in both domestic and overseas markets in order to cushion the impact of the decrease in overall sales. In addition, we have been actively marketing and promoting the leasing of our investment properties so as to achieve steady recurring income and growth, which is evidenced by the higher income from investment properties in 9MFY2022.

As announced on 7 October 2021 and as mentioned in the result announcement dated 29 October 2021, the production capacity of the Company's wholly owned subsidiary, Fujian Wangsheng Industrial Co. Ltd. was restricted by the ongoing electricity curtailment or rationing policy of the government of the People's Republic of China. The supply of electricity has resumed to normal in the third quarter of FY2022. Therefore, the Group's financial performance for Q3FY2022 was not affected by the electricity curtailment.

In addition, 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. The Company will provide further updates as and when there are further developments in relation to the above.

The Group will continue to exercise stringent cost management, build rapport and improve business relationships with major customers. The Management believes and are making efforts in building a stronger foundation and creating a sustainable growth for the Group.

Update on Suspension

The Company refers to its announcements on 4 September 2017, 5 September 2017, 6 September 2017, 27 September 2017, 17 November 2017, 12 February 2018, 29 March 2018, 1 April 2018, 24 July 2018, 21 August 2018, 12 September 2018, 31 October 2018, 28 January 2019 and 9 February 2019, and the subsequent updates contained in paragraph 10 of its results announcements on 28 August 2020, 30 October 2020, 9 February 2021 and 14 May 2021 and paragraph 5 of its results announcement dated 28 August 2021, 29 October 2021 and 11 February 2022 ("**Suspension Related Announcements**") in relation to its application for voluntary suspension and related events following the suspension. Unless otherwise specified, all capitalised terms shall have the same meaning ascribed to them in the Suspension Related Announcements.

The Company wishes to update as follows:

Following the Company's resubmission of its application for resumption of trading of the Company's shares on 11 November 2021, SGX has on 18 March 2022 replied to the Company as follows:

SGX has no objection to the Company's application for the resumption of trading, subject to the following conditions:-

1. The Company appointing a Singapore-based Chief Financial Officer, with strong experience in finance, and the proposed appointment is to be approved by SGX.
2. Audit review on the Company's financial statements for the half-year ended 31 December 2021 to be performed by the Company's current statutory auditor, Foo Kon Tan LLP ("FKT"); and

3. The Company performing quarterly reporting and all financial statements released by the Company on a quarterly basis is to be reviewed by FKT.

The Company is in the midst of appointing an experienced Singapore-based Chief Financial Officer.

The Group's financial statements for the six months period ended 31 December 2021 and the nine-month period ended 31 March 2022 have been reviewed by FKT, 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 reports were issued in relation to the Group's Condensed Consolidated Interim Financial Statements for the six months period ended 31 December 2021 and the nine-months period ended 31 March 2022 is attached to this financial statement announcement. There are no qualifications or emphasis of matters in the auditor's review reports.

The Company will continue to work with FKT to conduct the review of all subsequent quarterly and full year financial results announcement of the Company.

The Company and the Audit Committee will continue to engage SGX proactively to work towards the lifting of the trading suspension and would make the necessary announcements on SGXNET as and when there is any material development.

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 a huge uncertainty on how long the pandemic will last and the impact of electricity curtailment in the second quarter for FY2022, 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 March 2022.

8. Interested party transactions

There were no interested person transactions during the financial period ended 31 March 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 officers (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 nine-month period ended 31 March 2022 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

CHEN QIUHAI
EXECUTIVE DIRECTOR AND CEO

13 May 2022

CHEN YING
EXECUTIVE DIRECTOR