



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 2023

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

	Note	Group					
		3 months period ended 31			9-months year ended 31		
		March			March		
		2023	2022	Increase / (Decrease)	2023	2022	Increase / (Decrease)
RMB'000	RMB'000	%	RMB'000	RMB'000	%		
Revenue	5	7,830	16,691	(53.1)	29,261	45,610	(35.8)
Cost of sales		(7,605)	(14,652)	(48.1)	(27,337)	(40,636)	(32.7)
Gross profit		225	2,039	(89.0)	1,924	4,974	(61.3)
Revenue from investment properties	5	2,854	2,278	25.3	7,547	6,763	11.6
Other operating income	6	348	169	n.m.	801	1,589	(49.6)
Selling and distribution expenses		(107)	(689)	(84.5)	(828)	(1,483)	(44.2)
Administrative expenses	6	(3,739)	(2,970)	25.9	(9,697)	(10,053)	(3.5)
Other operating expenses	6	(1,745)	(59)	n.m.	(1,757)	(220)	n.m.
Finance costs	6	(38)	(21)	81.0	(92)	(100)	(8.0)
(Loss)/profit before taxation		(2,202)	747	n.m.	(2,102)	1,470	n.m.
Taxation	7	228	(1,260)	n.m.	228	(1,334)	n.m.
Net (loss)/profit for the period		(1,974)	(513)	n.m.	(1,874)	136	n.m.
Other comprehensive income							
Item that will never be reclassified subsequently to profit or loss							
Revaluation of property, plant and equipment - leasehold properties, net of tax		2,388	230	n.m.	2,388	230	n.m.
Total other comprehensive income		2,388	230	n.m.	2,388	230	n.m.
Total comprehensive income for the period attributable to owners of the company		414	(283)	n.m.	514	366	n.m.
Earnings per share							
- Basic and diluted (RMB cent)	8	(1.1)	(0.3)		(1.1)	0.1	

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		31 March 2023	30 June 2022 (Audited)	31 March 2023	30 June 2022 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	Note 10	59,163	58,841	-	-
Intangible assets	11	16	31	-	-
Investment properties	12	240,192	235,236	7,685	7,685
Investments in subsidiaries	13	-	-	151,625	147,780
Total non-current assets		299,371	294,108	159,310	155,465
Current assets					
Inventories		6,805	15,712	-	-
Trade and other receivables		10,401	9,401	167,570	171,415
Prepayments		783	61	114	61
Cash and bank balances		15,663	17,788	634	161
		33,652	42,962	168,318	171,637
Total assets		333,023	337,070	327,628	327,102
Equity					
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		46,170	43,782	-	-
Other reserve		29,349	29,349	-	-
Accumulated losses		(187,642)	(185,768)	(41,787)	(42,166)
Total equity attributable to owners of the Company		284,552	284,038	282,439	282,060
LIABILITIES					
Non-current liabilities					
Bank borrowings	14	3,535	3,674	3,535	3,674
Deferred tax liabilities		31,709	31,317	-	-
Total non-current liabilities		35,244	34,991	3,535	3,674
Current liabilities					
Trade and other payables		12,790	17,714	41,217	41,041
Bank borrowings	14	437	327	437	327
Total current liabilities		13,227	18,041	41,654	41,368
Total liabilities		48,471	53,032	45,189	45,042
Total equity and liabilities		333,023	337,070	327,628	327,102

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	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
<u>FY2023</u>							
Balance at 1 July 2022	322,210	2,016	72,449	43,782	29,349	(185,768)	284,038
Loss for the financial period	-	-	-	-	-	(1,874)	(1,874)
Other comprehensive income for the financial period	-	-	-	2,388	-	-	2,388
Total comprehensive income for the financial period	-	-	-	2,388	-	(1,874)	514
Balance as at 31 March 2023	322,210	2,016	72,449	46,170	29,349	(187,642)	284,552
<u>FY2022</u>							
Balance at 1 July 2021	322,210	2,016	72,449	42,805	29,349	(188,356)	280,473
Profit for the financial period	-	-	-	-	-	136	136
Other comprehensive income for the financial period	-	-	-	230	-	-	230
Total comprehensive income for the financial period	-	-	-	230	-	136	366
Balance as at 31 March 2022	322,210	2,016	72,449	43,035	29,349	(188,220)	280,839

	Company			
	Share capital RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
<u>FY2023</u>				
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	-	-	379	379
Balance as at 31 March 2023	322,210	2,016	(41,787)	282,439
<u>FY2022</u>				
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	-	-	(2,301)	(2,301)
Balance as at 31 March 2022	322,210	2,016	(34,216)	290,010

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 31 March	
	2023 RMB'000	2022 RMB'000
Cash flows from operating activities:		
(Loss)/profit before taxation	(2,102)	1,470
Adjustments for:		
Depreciation of property, plant and equipment	2,564	2,327
Amortisation of intangible assets	15	18
Property, plant and equipment written off	10	1
Exchange loss	(96)	142
Fair Value loss on investment properties	1,614	-
Interest expense	92	100
Interest income	(35)	(345)
Operating cash flow before working capital changes	2,062	3,713
Working Capital Changes:		
Inventories	8,907	4,834
Trade and other receivables	(1,217)	(8,832)
Trade and other payables	(6,691)	(493)
Cash generated from/ (used in) operations	3,061	(778)
Interest received	35	345
Income tax paid	(175)	(74)
Net cash generated from/ (used in) operating activities	2,921	(507)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(55)	(821)
Acquisition of investment properties	(6,570)	-
Partial consideration received in advance from Compulsory acquisition of land and buildings	1,600	-
Net cash used in from investing activities	(5,025)	(821)
Cash flows from financing activities:		
Repayment of bank borrowings - principal	(323)	(2,262)
Repayment of bank borrowings - interest	(92)	(100)
Net cash used in financing activities	(415)	(2,362)
Net decrease in cash and cash equivalents	(2,519)	(3,690)
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	394	(279)
Cash and cash equivalents at end of the financial period	15,663	25,152

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.

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

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

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

4. Seasonality of operations

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

5. Segment and revenue information

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

1 July 2022 to 31 March 2023	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
Revenue				
- Sale of goods	-	29,261	-	29,261
- Revenue from investment properties	7,547	-	-	7,547
Results				
Segment results	2,584	(1,101)	(3,528)	(2,045)
Interest income	-	35	-	35
Finance costs	(92)	-	-	(92)
Profit/(loss) before taxation	2,492	(1,066)	(3,528)	(2,102)
Taxation	403	(175)	-	228
Profit/(loss) after taxation	2,895	(1,241)	(3,528)	(1,874)
Other segment items				
Capital expenditure				
- property, plant and equipment	-	(55)	-	(55)
- investment properties	(6,570)	-	-	(6,570)
Property, plant and equipment written off	-	(10)	-	(10)
Depreciation and amortisation	-	(2,564)	-	(2,564)
Segment assets	242,737	83,984	636	327,357
Segment liabilities	6,593	8,147	1,868	16,608
1 July 2021 to 31 March 2022				
	Investment properties RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
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

5. Segment and revenue information (Cont'd)

Geographical Information

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

	Group			
	3 months ended 31 March		9-months ended 31 March	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of goods				
- China (domicile)	112	490	542	2,314
- Japan	7,718	16,201	28,719	43,296
Total	7,830	16,691	29,261	45,610
Revenue from investment properties				
- China (domicile)	2,790	2,219	7,357	6,586
- Singapore	64	59	190	177
Total	2,854	2,278	7,547	6,763

Timing of revenue recognition

Group	Group					
	3 months ended 31 March 2023			9 months ended 31 March 2023		
	At a point in time	Over time	Total	At a point in time	Over time	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Sales of goods	7,830	-	7,830	29,261	-	29,261
Revenue from investment properties	-	2,854	2,854	-	7,547	7,547
	7,830	2,854	10,684	29,261	7,547	36,808
	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
	16,691	2,278	18,969	45,610	6,763	52,373

6. (Loss)/profit before taxation

6.1 Significant items

	Group					
	3 months ended 31 March			9 months ended 31 March		
	2023 RMB'000	2022 RMB'000	Increase / (Decrease) %	2023 RMB'000	2022 RMB'000	Increase / (Decrease) %
Amortisation of intangible assets	(3)	(6)	(50.0)	(15)	(18)	(16.7)
Depreciation of property, plant and equipment	(842)	(774)	8.8	(2,564)	(2,327)	10.2
Property, plant and equipment written off	(7)	(1)	100.0	(10)	(1)	100.0
Interest expense	(38)	(21)	81.0	(92)	(100)	(8.0)
<i>Included in other operating income/expenses:-</i>						
Foreign currency exchange gain, net	(234)	(57)	n.m.	96	(142)	n.m.
Government subsidies	(2)	-	100.0	42	172	(75.6)
Interest income	18	150	(88.0)	35	345	(89.9)

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:

	Group	
	9 months ended 31 March	
	2023 RMB'000	2022 RMB'000
Current income tax expense	164	74
Deferred tax -Origination and reversal of temporary difference	(392)	1,260
Total tax (income)/expense	(228)	1,334

8. Earnings per share

	Group			
	3 months ended 31 March		9 months ended 31 March	
	2023	2022	2023	2022
Net (loss)/profit after tax for the period (RMB'000)	(1,974)	(513)	(1,874)	136
Basic earnings per share (RMB cents)	(1.1)	(0.3)	(1.1)	0.1
Diluted earnings per share (RMB cents)	(1.1)	(0.3)	(1.1)	0.1

Earnings per share is calculated based on the Group's net profit/(loss) after tax for the period divided by the total number of issued share capital of the Company amounting to 176,798,164 (31 March 2022: 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

	Group		Company	
	31 March 2023	30 June 2022 (Audited)	31 March 2023	30 June 2022 (Audited)
Net Asset Value per share (RMB cents)	160.9	160.7	159.1	159.5

The net asset value per ordinary share of the Group and the Company as at 31 March 2023 and 30 June 2022 was calculated based on the total number of issued share capital of the Company of 176,798,164 as at 31 March 2023 and 30 June 2022 respectively.

10. Property, plant and equipment

FY2023	Leasehold buildings and structural improvements	Land use rights	Motor vehicles	Office equipment	Plant and machinery	Fixtures and fittings	Construction-in- progress	Total
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	-	-	-	-	34	21	-	55
Reclassification*	-	-	-	-	(341)	-	-	(341)
Written off	-	-	-	-	(5)	(15)	-	(20)
Revaluation adjustments	2,486	696	-	-	-	-	-	3,182
Elimination of accumulated depreciation	(1,722)	(406)	-	-	-	-	-	(2,128)
Balance at 31 March 2023	41,578	19,447	384	25	6,104	279	-	67,817
<u>Accumulated depreciation</u>								
Balance at 1 July 2022	1,535	5,957	214	24	318	180	-	8,228
Depreciation/amortisation during the period	1,722	406	49	1	357	29	-	2,564
Written off	-	-	-	-	(2)	(8)	-	(10)
Elimination of accumulated depreciation	(1,722)	(406)	-	-	-	-	-	(2,128)
Balance at 31 March 2023	1,535	5,957	263	25	673	201	-	8,654

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

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

FY2022 (Unaudited)	Leasehold and structural improvements RMB'000	Land use rights RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Fixtures and fittings RMB'000	Construction-in- progress RMB'000	Total RMB'000
Balance at 1 July 2021	30,423	19,017	384	83	1,074	206	140	51,327
Additions	-	-	-	-	-	16	805	821
Written off	-	-	-	-	-	(6)	-	(6)
Balance at 31 March 2022	30,423	19,017	384	83	1,074	216	945	52,142
<u>Accumulated depreciation</u>								
Balance at 1 July 2021	1,535	5,957	146	60	220	101	-	8,019
Written off	-	-	-	-	-	(5)	-	(5)
Depreciation/amortisation during the period	1,756	406	52	1	76	36	-	2,327
Balance at 31 March 2022	3,291	6,363	198	61	296	132	-	10,341
Carrying amount:								
Balance at 31 March 2023	40,043	13,490	121	-	5,431	78	-	59,163
Balance at 31 March 2022	27,132	12,654	186	22	778	84	945	41,801

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

The Group

Compulsory Acquisition of land and buildings

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

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

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

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

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

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

The Group has received 20% of the total consideration of RMB 1,600,000 on 30 March 2023. This partial Acquisition Consideration received in advance has been included under trade and other payables of RMB 12,790,000 as at 31 March 2023.

As at the date of this condensed consolidated interim financial statements, the Compulsory Acquisition transaction has yet to be completed.

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

The Group	31 March 2023 RMB'000	30 June 2022 RMB'000
<u>Net book value</u>		
- leasehold buildings	31,368	30,807
- land use rights	13,490	13,200
	<u>44,858</u>	<u>44,007</u>

Arising from Compulsory Acquisition, management has carried out a review of the key parameters for the valuation of the Group's rights-of-use assets which are stated at valuation as at 31 March 2023. The management has generally adopted the same valuation approach and methodologies, key parameters and assumptions by reference to the valuation performed by independent professional valuers conducted for the financial year ended 30 June 2022. Management is therefore of the view that the fair value of the rights-of-use assets are approximately RMB 44,858,000 as at 31 March 2023.

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

Included in the carrying amount of the rights-of-use assets of RMB 44,858,000 (30 June 2022 - RMB 44,007,000) are Fengwang's leasehold buildings and land use rights totalling RMB 3,326,000 which are subject to the Compulsory Acquisition.

The recoverable amount is based on their fair value as determined using income approach, which is a fair value hierarchy Level 3 measurement.

The valuation techniques, significant unobservable inputs and inter-relationships between key unobservable inputs and fair values are presented in the Group's audited financial statements for the year ended 30 June 2022.

The Company

During the nine months ended 31 March 2023, the Company has no acquisition of assets (31 March 2022 - Nil) and no disposal of assets (31 March 2022 - Nil).

11. Intangible assets

The Group	31 March 2023	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	15	24
Balance at end of period/year	104	89
Net book value	16	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

FY2023	Leasehold buildings RMB'000	Land use rights RMB'000	Total RMB'000
The Group 9 months ended 31 March 2023			
Balance at beginning	224,136	11,100	235,236
Additions *	6,570	-	6,570
Fair value adjustments	(1,814)	200	(1,614)
End of the financial year	228,892	11,300	240,192
FY2022 (Audited)	Leasehold buildings RMB'000	Land use rights RMB'000	Total RMB'000
The Group 30 June 2022			
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

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

Similarly, arising from the Compulsory Acquisition as described in Note 10, management has carried out a review of the key parameters for the valuation of the Group's investment properties which are stated at valuation as at 31 March 2023. The management has generally adopted the same valuation approach and methodologies, key parameters and assumptions by reference to the valuations performed by independent professional valuers conducted for the financial year ended 30 June 2022. Management is therefore of the view that the fair value of the investment properties are approximately RMB 240,192,000 as at 31 March 2023.

The management has considered and adopted the direct comparable method which 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 period ended 31 March 2023 (30 June 2022 - 4.5% - 5.5%). The most significant input into this valuation approach is the monthly market rent per square meter of the properties. The higher the market rent, the higher the fair value of the investment properties.

Included in the carrying amount of the investment properties of RMB 240,192,000 (30 June 2022 - RMB 235,236,000) are Fengwang's leasehold buildings and land use rights totalling RMB 484,000 which are subject to the Compulsory Acquisition. As at the date of this condensed consolidated interim financial statements, the Compulsory Acquisition transaction has yet to be completed.

The Company

	Leasehold buildings RMB'000
FY2023	
9 months ended 31 March 2023	
<u>At valuation</u>	
Fair value at 31 March 2023	<u>7,685</u>
FY2022 (Audited)	
30 June 2022	
<u>At valuation</u>	
Fair value at 30 June 2022	<u>7,685</u>

13. Investment in Subsidiaries

	As at 31 March 2023	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	3,845	-
	<u>(12,350)</u>	<u>(16,195)</u>
Balance at end of period/year	<u>151,625</u>	<u>147,780</u>

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

For financial year ended 30 June 2022, under this assessment, the Company recognised an impairment loss of RMB 5,977,000 in subsidiaries from the Investment Properties segment where the recoverable amount was lower than the carrying amount. During the financial period ended 31 March 2023, the Company reversed impairment loss of RMB 3,845,000 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 March 2022 RMB'000	30 June 2022 RMB'000	31 March 2022 %	30 June 2022 %	
<u>Held by the Company</u>						
Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng") (福建望盛实业有限公司)	The People's Republic of China ("PRC")	149,762	149,762	100	100	Production, sales of processed food products and rental revenue from investment properties
Nanping Yuanwang Foods Co., Ltd ("Yuanwang") (南平市元旺食品有限公司)	PRC	14,213	14,213	100	100	Rental revenue from investment properties
<u>Held by Fujian Wangsheng Industrial Co., Ltd.</u>						
Zhangping Fengwang Agricultural Products Co., Ltd ("Fengwang") (漳平市丰旺农产品有限公司)	PRC	-	-	100	100	Rental revenue from investment properties
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 March 2023		As at 30 June 2022 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Secured (RMB'000)
437	NA	327	NA

Amount repayable after one year

As at 31 March 2023		As at 30 June 2022 (Audited)	
Secured (RMB'000)	Secured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
3,535	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 March 2023, 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.

As at the end of the reporting period, the effective interest rate of the term loan ranges from 2.08% to 4.56% (30 June 2022 - 1.88% to 2.08%) per annum.

15. Share capital

	31 March 2023	30 June 2022
	Number of shares '000	Number of shares '000
Number of issued shares		
Balance at beginning and at end of period/year	176,798	176,798
Ordinary shares issued and fully paid	RMB'000	RMB'000
Balance at beginning and at end of period/year	322,210	322,210

The Company did not hold any treasury shares as at 31 March 2023 and 30 June 2022.

The Company did not have any outstanding convertibles and subsidiary holdings as at 31 March 2023 and 30 June 2022.

16. Subsequent events

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

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

The Group's figures for the nine-month period ended 31 March 2023 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**Q3FY2023 vs Q3FY2022**

Revenue derived from the food processing business was RMB7.8 million in the third quarter ended 31 March 2023 ("Q3FY2023"). The revenue decreased by RMB8.9 million or 53.1% as compared to RMB16.7 million in the third quarter ended 31 March 2022 ("Q3FY2022").

The decrease was mainly due to the impact of inflation and economic contraction, which had led to a decline in demand in overseas markets and a sharp decline in sales of processed foods.

Gross profit decreased by RMB1.8 million to RMB0.2 million in Q3FY2023 from RMB2.0 million in Q3FY2022. In addition to the decline in sales revenue, the cost of fuel increased due to the restriction on the use of biomass fuel boilers and the switch to natural gas boilers starting at the end of 2022.

Revenue generated from investment properties increased by RMB0.6 million or 25.3% to RMB2.9 million in Q3FY2023 from RMB2.3 million in Q3FY2022. The increase was mainly due to the improvement in the development of rental properties market after the Chinese government shifted from a 'zero-tolerance' policy to a more relaxed policy in December 2022. At the same time, the company actively improved the rental environment and facilities of its properties, resulting in an improvement in rental prices and an increase in occupancy rates, thereby increasing rental.

Selling and distribution expenses decreased by RMB0.6 million or 84.5% to RMB0.1 million in Q3FY2023 from RMB0.7 million in Q3FY2022, which was in tandem with the lower revenue recorded in the financial period.

Administrative expenses increased by RMB0.7 million or 25.9% to RMB3.7 million in Q3FY2023 from RMB3.0 million in Q3FY2022. The main reason for this increase was due to the reclassification of RMB0.39 million, exchange loss from other operating expense to administrative expenses and the provision for audit fees in Q3 2023 amounted to RMB 0.29 million.

As a result of the above mentioned, the Group recorded a net loss of RMB2.0 million in Q3FY2023, compared to a net loss of RMB0.5 million in Q3FY2022.

9MFY2023 vs 9MFY2022

Revenue derived from the food processing business was RMB29.3 million for the nine months ended 31 March 2023 ("9MFY2023"). This represents a decrease of RMB16.3 million or 35.8% as compared to RMB45.6 million for the nine months ended 31 March 2022 ("9MFY2022"). This was mainly due to the COVID-19 pandemic in the first 6 months of the financial period, inflation and significant fluctuations in the yen, which led to a decline in sales of processed foods in domestic and overseas markets.

Gross profit decreased by RMB3.1 million to RMB1.9 million in 9MFY2023 from RMB5.0 million in 9MFY2022. Gross profit margin fell from 10.9% in 9MFY2022 to 6.6% in 9MFY2023 due to inflationary pressure on direct cost of production. In addition to the decline in sales revenue, the restriction on the use of biomass fuel boilers and the switch to natural gas boilers starting at the end of 2022 increased fuel costs.

Revenue generated from investment properties increased by RMB0.7 million or 11.6% to RMB7.5 million in 9MFY2023 from RMB6.8 million in 9MFY2022. The increase was mainly due to the company's active efforts to improve the rental environment and facilities in Q3, resulting in an improvement in rental prices and an increase in occupancy rates.

In tandem with lower revenue from food processing business, selling and distribution expenses decreased by RMB0.7 million or 44.2% to RMB0.8 million in 9MFY2023 from RMB1.5 million in 9MFY2022.

Administrative expenses decreased by RMB0.4 million or 3.5% to RMB9.7 million in 9MFY2023 from RMB10.1 million in 9MFY2022 due to lower staff costs and welfare costs on the back of cost reduction initiatives.

Other operating expenses increase from RMB0.2 million in 9MFY2022 to RMB1.8 million in 9MFY2023 due mainly to the fair value loss of RMB1.6 million on investment properties.

As a result of the above mentioned, the Group incurred a net loss of RMB1.9 million in 9MFY2023 compare to a net profit of RMB 0.1 million in 9MFY2022.

Review of Balance Sheet

As at 31 March 2023, non-current assets increased by RMB5.3 million to RMB299.4 million as compared to RMB294.1 million as at 30 June 2022. The increase was primarily attributable to acquisition of property, plant and equipment which was offset by the amortisation of intangible assets and depreciation of property, plant and equipment in 9MFY2023.

Current assets decreased by RMB9.3 million or 21.7%, from RMB43.0 million as at 30 June 2022 to RMB33.7 million as at 31 March 2023. The decrease mainly arose from lower bank balance as well as lower inventories balance which was in line with the lower sales.

Non-current liabilities remained constant at RMB35.0 million as at 31 March 2023 and 30 June 2022.

Current liabilities decreased by RMB4.8 million or 26.7% to RMB13.2 million as at 31 March 2023 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 March 2023 and 30 June 2022.

Review of Cash Flow Statement

9MFY2023 vs 9MFY2022

For 9MFY2023, we recorded net cash generated from operating activities of RMB2.9 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 RMB5.0 million in 9MFY2023 was primarily due to capital expenditures incurred for property, plant and equipment and investment properties which was partially offset by the consideration received in advance from Compulsory Acquisition of land and building.

Net cash used in financing activities of RMB0.4 million in 9MFY2023 was primarily due 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.

Overall, as announced on November 4 and November 25, 2022 respectively, the outbreak of the COVID-19 pandemic led to traffic restrictions and the restriction on the use of biomass fuel boilers and the switch to natural gas boilers increased production costs. After the COVID-19 pandemic, the prices of agricultural and sideline raw materials rose, especially the price of bamboo shoot materials rose by about 30% this year, coupled with the reduction in output, resulting in an increase in material costs. However, it is difficult to increase customer unit prices. The company therefore streamlined those loss-making or extremely low gross profit products, resulting in a significant decline in sales revenue. Management is committed to promoting and innovating properties to increase rental income and improve the company's profits.

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 March 2023. 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 March 2023.

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

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

The Company 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 nine months period ended 31 March 2023 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

CHEN QIUHAI
EXECUTIVE DIRECTOR AND CEO

12 May 2023

CHEN YING
EXECUTIVE DIRECTOR