CHINA STAR FOOD GROUP
中国之星食品集团

(Incorporated in the Republic of Singapore with Unique Entity No.: 200718683N)
Website: www.zixingroup.com.sg
SGX stock code: 42W

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

*This announcement has been prepared by China Star Food Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. ("**Sponsor**") in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group					
		6 months ended 31-Mar-2022 Unaudited RMB'000	6 months ended 30-Mar-2021 Unaudited RMB'000	Change %	12 months ended 31-Mar-2022 Unaudited RMB'000	12 months ended 30-Mar-2021 Audited RMB'000	Change %
Revenue	**4**	158,147	157,002	0.7	289,132	285,474	1.3
Cost of sales		(115,499)	(117,490)	(1.7)	(211,151)	(215,858)	(2.2)
Gross profit		42,648	39,512	7.9	77,981	69,616	12.0
Finance income		365	247	47.8	682	418	63.2
Other income		4	141	(97.2)	77	720	(89.3)
Marketing and distribution costs		(20,185)	(18,440)	9.5	(37,349)	(36,608)	2.0
Administrative expenses		(18,519)	(22,566)	(17.9)	(33,129)	(44,639)	(25.8)
Other losses		(516)	(1,078)	(52.1)	(516)	(1,080)	(52.2)
Finance costs		(741)	(643)	15.2	(1,465)	(1,429)	2.5
Profit/(Loss) before income tax	**5**	3,056	(2,827)	n.m.	6,281	(13,002)	n.m.
Income tax (expenses)/credit	**6**	(129)	870	n.m.	307	326	(5.8)
Profit/(Loss) for the period/year, net of tax		2,927	(1,957)	n.m.	6,588	(12,676)	n.m.
Other comprehensive (loss)/income:							
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations		(39)	1,015	n.m.	(140)	986	n.m.
Total comprehensive income/(loss) for the period/year		2,888	(942)	n.m.	6,448	(11,690)	n.m.

Profit/(Loss) for the period/year, net of tax, attributable to:							
Owners of the Company		2,927	(1,957)	n.m.	6,588	(12,676)	n.m.
Non-controlling interests		–	–	n.m.	–	–	n.m.
Profit/(Loss) for the year		2,927	(1,957)	n.m.	6,588	(12,676)	n.m.
Total comprehensive income/(loss) for the period/year, attributable to:							
Owners of the Company		2,888	(942)	n.m.	6,448	(11,690)	n.m.
Non-controlling interests		–	–	n.m.	–	–	n.m.
Total comprehensive income/(loss) for the period/year		2,888	(942)	n.m.	6,448	(11,690)	n.m.
Earnings/(Losses) per share for profit/(loss) for the period attributable to the owners of the Company during the years:							
Basic (RMB in cent)	**7**				0.62	(1.98)	n.m.
Diluted (RMB in cent)	**7**				0.62	(1.98)	n.m.

n.m. - not meaningful

B. Condensed Interim Consolidated Statement of Financial Position

	Note	Group		Company	
		31-Mar-2022 (Unaudited) RMB'000	31-Mar-2021 (Audited) RMB'000	31-Mar-2022 (Unaudited) RMB'000	31-Mar-2021 (Audited) RMB'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	**8**	128,327	127,300	158	394
Intangible assets	**9**	37,068	37,287	–	–
Investment in subsidiaries		–	–	803,636	803,636
Other receivables, non-current		11	9	–	–
Other assets, non-current	**10**	86,821	35,316	–	–
Deferred tax assets		8,007	7,571	–	–
Total Non-Current Assets		260,234	207,483	803,794	804,030
Current Assets					
Inventories		2,809	3,472	–	–
Trade and other receivables	**11**	41,177	46,987	91,828	54,546
Other assets, current	**10**	69,838	61,397	176	61
Cash and bank balances		197,506	196,387	14,022	1,777
Total Current Assets		311,330	308,243	106,026	56,384
Total Assets		571,564	515,726	909,820	860,414
EQUITY AND LIABILITIES					
Equity					
Share capital		239,150	182,572	938,574	881,996
Retained earnings/(accumulated losses)		232,847	226,322	(73,616)	(67,065)
Other reserves		44,944	45,021	40,778	42,979
Total Equity		516,941	453,915	905,736	857,910
Non-Current Liabilities					
Lease liability, non-current		160	166	160	166
Current Liabilities					
Trade and other payables	**12**	18,534	28,106	3,924	2,099
Income tax payables		129	–	–	–
Lease liability, current		–	239	–	239
Other financial liabilities	**13**	35,800	33,300	–	–
Total Current Liabilities		54,463	61,645	3,924	2,338
Total Liabilities		54,623	61,811	4,084	2,504
Total Equity and Liabilities		571,564	515,726	909,820	860,414

C. Condensed Interim Consolidated Statement of Changes in Equity

Group

	Share capital (Audited) RMB'000	Other reserves (Audited) RMB'000	Retained earnings (Audited) RMB'000	Total equity (Audited) RMB'000
Balance at 1 April 2020	152,980	44,035	238,998	436,013
Total comprehensive income/(loss) for the year				
Loss for the year	–	–	(12,676)	(12,676)
Other comprehensive income	–	986	–	986
Total comprehensive income/(loss) for the year	–	986	(12,676)	(11,690)
Transactions with owners, recognized directly in equity				
Issuance of new shares	29,592	–	–	29,592
Balance as at 31 March 2021	182,572	45,021	226,322	453,915

	Share capital (Unaudited) RMB'000	Other reserves (Unaudited) RMB'000	Retained earnings (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
Balance at 1 April 2021	182,572	45,021	226,322	453,915
Total comprehensive (loss)/income for the year				
Profit for the period	–	–	6,588	6,588
Other comprehensive loss	–	(140)	–	(140)
Total comprehensive (loss)/income for the year	–	(140)	6,588	6,448
Transactions with owners, recognized directly in equity				
Transferred from retained earnings to other reserves	–	63	(63)	–
Issuance of new shares	56,578	–	–	56,578
	56,578	63	(63)	56,578
Balance as at 31 March 2022	239,150	44,944	232,847	516,941

Company

	Share capital (Audited) RMB'000	Other reserves (Audited) RMB'000	Retained earnings (Audited) RMB'000	Total equity (Audited) RMB'000
Balance at 1 April 2020	852,404	43,459	(62,492)	833,371
Total comprehensive loss for the year				
Loss for the year	–	–	(4,573)	(4,573)
Other comprehensive income	–	(480)	–	(480)
Total comprehensive loss for the year	–	(480)	(4,573)	(5,053)
Transactions with owners, recognized directly in equity				
Issuance of new shares	29,592	–	–	29,592
Balance as at 31 March 2021	881,996	42,979	(67,065)	857,910

	Share capital (Unaudited) RMB'000	Other reserves (Unaudited) RMB'000	Retained earnings (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
Balance at 1 April 2021	881,996	42,979	(67,065)	857,910
Total comprehensive loss for the year				
Loss for the year	–	–	(6,551)	(6,551)
Other comprehensive income	–	(2,201)	–	(2,201)
Total comprehensive loss for the year	–	(2,201)	(6,551)	(8,752)
Transactions with owners, recognized directly in equity				
Issuance of new shares	56,578	–	–	56,578
Balance as at 31 March 2022	938,574	40,778	(73,616)	905,736

D. Condensed Interim Consolidated Statement of Cash Flow

	Note	Group	
		31-Mar-2022 (Unaudited) RMB'000	31-Mar-2021 (Audited) RMB'000
Cash flows from operating activities			
Profit/(Loss) before income tax		6,281	(13,002)
Interest income	**5**	(682)	(418)
Interest expense	**5**	1,465	1,429
Depreciation of property, plant and equipment		16,293	19,104
Property, plant and equipment written-off		–	165
Impairment loss of property, plant and equipment		–	1,249
Amortisation of intangible assets		1,419	1,402
Loss on disposal of property, plant and equipment		497	219
Loss on disposal of intangible assets		–	694
Impairment (gain)/loss on trade receivables and other assets		(382)	599
Exchange differences on translating functional to presentation currency		(140)	986
Operating cash flow before changes in working capital		**24,751**	**12,427**
Inventories		663	516
Trade and other receivables		6,190	(20,926)
Other assets		(59,945)	81,427
Trade and other payables		(9,573)	16,473
Net cash flows generated from operations		**(37,914)**	**89,917**
Income tax paid		–	(46)
Net cash flows (used in)/ generated from operating activities		**(37,914)**	**89,871**
Cash flows from investing activities			
Additions to property, plant and equipment	**8**	(19,828)	(4,659)
Proceed from disposal of property, plant and equipment		1,824	3,735
Purchase of manufacturing patent	**9**	(1,200)	–
Interest income received		682	418
Net cash flows used in investing activities		**(18,522)**	**(506)**
Cash flows from financing activities			
Proceed from issuance of shares		56,578	29,592
Proceeds from new bank loans	**11**	35,800	33,300
Repayment of bank loans	**11**	(33,300)	(25,300)
Payment of lease liabilities		(58)	(79)
Interest expense paid		(1,465)	(1,421)
Net cash flows generated from financing activities		**57,555**	**35,892**
Net change in cash and cash equivalents		1,119	125,257
Cash and cash equivalents at beginning of financial year		196,387	71,130
Cash and cash equivalents at end of financial year		**197,506**	**196,387**

E. Notes to the Condensed Interim Consolidated Financial Statements for the Financial Year Ended 31 March 2022

1. Corporate information

China Star Food Group Limited (the "**Company**") is a limited liability company incorporated in Singapore. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the second half and full year ended 31 March 2022 comprise the Company and its subsidiaries (collectively, the "**Group**").

The registered office of the Company is located at 24 Raffles Place #20-03 Clifford Centre Singapore 048621. The principal place of business of the Company is located at 10 Anson Road International Plaza #27-06B, Singapore 540193.

The principal activity of the Company is that of an investment holding company. The Group is a leading sweet potato biotech-focused value chain operator in the People's Republic of China (the "**PRC**" or "**China**"). Through its wholly-owned subsidiaries, the Group leverages on its biotechnology capabilities to strengthen and support its core business areas: (a) cultivation and supply – (i) research and development of sweet potato varieties, (ii) cultivate sweet potato seedlings, (iii) provide farming solutions and technique, and (iv) fresh sweet potato supply, and (b) product innovation and snacks production – research and development to produce snacks with higher nutritional content, and (c) marketing and distribution – build propriety brands of heathier snacks through targeted marketing campaigns and various distribution platforms (traditional and e-commerce) throughout China.

2. Basis of preparation

The condensed interim consolidated financial statements for the financial year ended 31 March 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements 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 financial statements for the financial year ended 31 March 2021.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Chinese Renminbi dollars ("**RMB**"), which is the Company's functional currency, and all values are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated.

2.1. New and amended standards adopted by the Group

The Group and the Company have adopted the new and revised SFRS(I)s, and interpretations of SFRS(I) that are effective for the annual period beginning on 1 April 2021. The Group did not have to change its accounting policies or make any retrospective adjustments as a result of adopting those standards.

2.2. Use of judgement and estimates

In preparing the condensed interim consolidated financial statement, 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 31 March 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.

3. Seasonal operations

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

4. Segment and revenue information

4.1 Reportable Segments

Not applicable. The Group only has one (1) operating segment (sweet potatoes related products) and one (1) geographical segment (the PRC). There are no operating segments or reportable segments disclosed as required by SFRS(I) 8.

4.2 Revenue

	Group	
	31-Mar-2022 (Unaudited) RMB'000	31-Mar-2021 (Audited) RMB'000
Revenue:		
Sweet potato processed products	235,551	216,797
Sweet potatoes	53,581	68,677
	289,132	285,474
Timing of transfer of goods or service:		
At a point in time	289,132	285,474

5. Profit/(Loss) before income tax

Profit/(Loss) before income tax is stated after charging the following:

	Group	
	31-Mar-2022 (Unaudited) RMB'000	31-Mar-2021 (Audited) RMB'000
Amortisation of intangible assets	1,419	1,402
Depreciation of property, plant and equipment	16,293	13,417
Impairment of property, plant and equipment	–	1,249
Impairment (gain)/loss on trade receivables and other assets	(382)	599
Research and development expenses	2,142	11,091
Employee benefits expense	14,252	11,610
Nursery fees	2,517	2,353

6. Income tax (credit)/expense

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

	Group	
	31-Mar-2022 (Unaudited) RMB'000	31-Mar-2021 (Audited) RMB'000
Current tax (credit)/expense:		
Current year	129	–
(Over)/Underprovision in prior financial year	(436)	46
	(307)	46
Deferred income tax – net credit to profit or loss	–	(372)
Total income tax credit	(307)	(326)

7. Earnings/(Losses) per share

The basic earnings/(losses) per share is calculated based on the consolidated earnings/(losses) attributable to equity holders of the Company divided by the weighted average number of shares in issue of 1,066,010,000 (31 March 2021: 640,695,000) shares during the financial year. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings/(losses) per share:

	Group	
	31-Mar-2022 (Unaudited) RMB'000	**31-Mar-2021 (Audited) RMB'000**
Basic earnings/(losses) per share		
Profit/(Losses), net of tax attributable to owners of the Company	6,588	(12,676)
Weighted average number of ordinary shares in issue ('000)	1,066,010	640,695
Basic earnings/(losses) per share (RMB cents)	0.62	(1.98)

As the Company does not have any dilutive potential ordinary shares, the basic earnings/(losses) per share and diluted earnings/(losses) per share for 31 March 2022 are the same i.e., RMB 0.62 cents (31 March 2021: (RMB 1.98) cents) per share.

8. Property, plant and equipment

During the financial year ended 31 March 2022, the Group acquired assets (mainly construction work-in-progress) amounting to approximately RMB 19.8 million (31 March 2021: RMB 5.1 million) and disposed assets with a net book value of approximately RMB 2.3 million (31 March 2021: RMB 4.6 million).

9. Intangible assets

Group	Right-of-use assets RMB'000	Manufacturing patents RMB'000	Software RMB'000	Favourable supply contracts RMB'000	Goodwill RMB'000	Total RMB'000
Cost:						
At 1 April 2020	43,116	1,562	338	12,822	36,660	94,498
Disposal	(901)	–	–	–	–	(901)
At 31 March 2021	42,215	1,562	338	12,822	36,660	93,597
Additions	–	1,200	–	–	–	1,200
At 31 March 2022	42,215	2,762	338	12,822	36,660	94,797
Accumulated amortisation:						
At 1 April 2020	4,312	1,039	282	10,257	–	15,890
Amortisation for the year	1,190	156	56	–	–	1,402
Disposal	(207)	–	–	–	–	(207)
At 31 March 2021	5,295	1,195	338	10,257	–	17,085
Amortisation for the year	1,174	245	–	–	–	1,419
At 31 March 2022	6,469	1,441	338	10,257	–	18,504
Accumulated impairment:						
At 1 April 2020 and 31 March 2021	–	–	–	2,565	36,660	39,225
Impairment for the year	–	–	–	–	–	–
At 31 March 2022	–	–	–	2,565	36,660	39,225
Carrying amount:						
At 31 March 2021	36,920	367	–	–	–	37,287
At 31 March 2022	35,746	1,322	–	–	–	37,068

9. Intangible Assets (cont'd)

Right-of-use assets

The right-of-use assets are the land use rights for four (4) parcels of land located in Liancheng County of Fujian Province, the People's Republic of China.

As at 31 March 2022, the land use rights of the Group for two (2) parcels of land with carrying amount of RMB 5,982,000 and RMB 24,281,000 respectively (31 March 2021: RMB 6,125,000 and RMB 24,845,000 respectively) are mortgaged for bank loans.

In September 2018, Liangcheng Dizhongbao Modern Agriculture Development Co., Ltd ("**Dizhongbao**"), a subsidiary of the Group, entered into Land Use Rights Transfer Agreements (the "**Agreements**") with 86 farmers to lease 91 plots of farmland (certain farmers are contracted to lease more than one (1) plot of farmland) for 15 years as a base for research and development to cultivate new breed of sweet potatoes and to nurture the sweet potatoes seedlings. The seedlings are collected from the farmers after sprout and distributed to the contracted suppliers to grow on their own land to ensure better control of the end product quality. Under the terms of the Agreements, Dizhongbao had made upfront full payments of approximately RMB 7,000,000 to the contract farmers for 15 years.

Goodwill arising on consolidation

In the financial year ended 31 March 2016, a determination of the recoverable amount of goodwill subsequent to the completion of the reverse takeover exercise of Brooke Asia Limited on 22 September 2015 revealed a shortfall of RMB 36,660,000 in future cash flow to support the purchase consideration paid of RMB 36,661,000 as the Company did not have operation or subsidiaries at the time when the reverse acquisition was completed. Accordingly, an impairment charge of RMB 36,660,000 was recorded against goodwill and disclosed under "other expenses" in the consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 March 2016.

Manufacturing patents

During the financial year ended 31 March 2022, the Group acquired an intangible asset, which relates to a manufacturing patent from a third party amounting to RMB 1,200,000 (31 March 2021: Nil).

10. Other assets

	Group		Company	
	31 March 2022 (Unaudited) RMB'000	31 March 2021 Audited RMB'000	31 March 2022 (Unaudited) RMB'000	31 March 2021 Audited RMB'000
Advance payments for supplies of sweet potatoes (Note A)	130,690	70,899	–	–
Prepayment	25,969	25,814	176	61
	156,659	96,713	176	61
Presented in the statements of financial position as:				
Other assets, non-current	86,821	35,316	–	–
Other assets, current	69,838	61,397	176	61
	156,659	96,713	176	61

Note A: Advance payment for supplies of sweet potatoes

The Group, through one of its subsidiaries, Dizhongbao, had entered into various purchase contracts with several suppliers (the "**Co-operatives**") to secure the supply of quality raw sweet potatoes at reasonable prices.

During the financial year ended 31 March 2018, Dizhongbao had entered into the purchase contracts with three (3) Co-operatives to guarantee the supply of an aggregate of 12,190 tons of raw sweet potatoes on a yearly basis. Total prepayments made to the three (3) Co-operatives amounted to an aggregate of RMB 131,715,000.

10. Other Assets (cont'd)

During the financial year ended 31 March 2019, Dizhongbao entered into purchase contracts with another two (2) Co-operatives for the supply of an aggregate of 6,900 tonnes of sweet potatoes on a yearly basis. An aggregate upfront payment of RMB 71,500,000 were paid to the two (2) suppliers.

All the above-mentioned agreements carry similar terms. The agreements last for 15 years and grant Dizhongbao with the first right of refusal of the supply of sweet potatoes. In return, Dizhongbao pays prepayments to the suppliers once every five (5) years. The prepayments are used to offset the purchase within the five (5) years. In case of the prepayments are fully utilised within the five (5) years, the payment of subsequent purchase is due according to the agreed terms per respective contract.

11. Trade and other receivables

	Group		Company	
	31 March 2022 (Unaudited) RMB'000	31 March 2021 Audited RMB'000	31 March 2022 (Unaudited) RMB'000	31 March 2021 Audited RMB'000
Trade receivables:				
Outside parties	41,061	46,678	–	–
Less: Allowance for impairment loss on receivables	(599)	(243)	–	–
	40,462	46,435	–	–
Other receivables:				
Outside parties	–	–	–	147
Subsidiaries	675	513	91,777	54,351
Refundable deposits	51	48	51	48
	726	561	91,828	54,546
Total trade and other receivables	41,188	46,996	91,828	54,546
Presented in the condensed interim consolidated statement of financial position as:				
Other receivables, non-current	11	9	–	–
Trade and other receivables, current	41,177	46,987	91,828	54,546
	41,188	46,996	91,828	54,546

12. Trade and other payables

	Group		Company	
	31 March 2022 (Unaudited) RMB'000	31 March 2021 Audited RMB'000	31 March 2022 (Unaudited) RMB'000	31 March 2021 Audited RMB'000
Trade payables:				
Outside parties	7,677	13,472	–	–
Other payables:				
Outside parties	10,568	12,003	3,148	903
Other taxes payables	–	1,688	–	–
Subsidiaries	–	–	487	253
Director/shareholder	289	943	289	–
	10,857	14,634	3,924	2,099
Total trade and other payables	18,534	28,106	3,924	2,099

13. Other financial liabilities

	Group	
	31 March 2022 (Unaudited) RMB'000	31 March 2021 Audited RMB'000
Bank loans A (unsecured) (Note 13.1)	10,500	7,500
Bank loans B (secured) (Note 13.2)	25,300	25,800
	35,800	33,300

13.1. Bank loans A (unsecured)

The bank loans are repayable within 12 months and renewable annually. The bank loans' fixed interest rates were 3.20% - 4.35% (31 March 2021: 4.15% - 4.35%) per annum respectively and are repayable within 12 months.

The bank loans are unsecured, guaranteed by a local credit guarantee company and/or one of the Company's directors and his spouse.

13.2. Bank loans B (secured)

The loans are secured by mortgages of a leasehold building and land use rights of the Group. The bank loans bear fixed interest rate at 3.35% - 4.60% (2020: 3.35% - 4.56%) per annum and are repayable within 12 months.

A summary of the Group's borrowings and debt securities is as follows:

	As at 31-Mar-2022 (Unaudited)		**As at 31-Mar-2021 (Audited)**	
	Secured RMB'000	**Unsecured RMB'000**	**Secured RMB'000**	**Unsecured RMB'000**
Amount repayable in one year or less, or on demand	10,500	25,300	7,500	25,800
Amount repayable after one year	–	–	–	–
Total borrowings	10,500	25,300	7,500	25,800

14. Financial assets and financial liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded as at 31 March 2022 and 31 March 2021:

	Group		Company	
	31 March 2022 (Unaudited) RMB'000	31 March 2021 Audited RMB'000	31 March 2022 (Unaudited) RMB'000	31 March 2021 Audited RMB'000
Financial assets:				
At amortised cost:-				
Cash and cash equivalents	197,506	196,387	14,022	1,777
Trade and other receivables	41,188	46,996	91,828	54,546
	238,694	243,383	105,805	56,323
Financial liabilities:				
At amortised cost:-				
Trade and other payables	18,534	28,106	3,924	2,099
Other financial liabilities	35,300	33,300	–	–
Lease liability	160	405	160	405
	53,994	61,811	4,084	2,504

15. Subsequent events

There are no known subsequent events from 31 March 2022 to the date of this announcement, which will lead to adjustments to this set of condensed interim consolidated financial statements.

Other Information Required pursuant to Appendix 7C of the Catalist Rules for the Financial Year Ended 31 March 2022

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

On 19 November 2021, the Company completed a placement of 500,000,000 new ordinary shares (each a "**Subscription Share**") in the share capital of the Company at the issue price of S$0.024 for each Subscription Share amounting to an aggregate of S$12,000,000. Following the allotment and issuance of 500,000,000 new ordinary shares, the share capital of the Company had increased from approximately RMB 882.0 million (as at 30 September 2021) to RMB 938.6 million (as at 31 March 2022), the number of issued and paid-up shares in the capital of the Company has increased from 883,818,100 shares (as at 30 September 2021) to 1,383,818,100 shares (as at 31 March 2022).

Save for the above, the Company does not have any outstanding options, convertibles, treasury shares and subsidiary holdings as at 31 March 2022 and 31 March 2021. Accordingly, the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding is nil% as at 31 March 2022 and 31 March 2021.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 31 March 2022	As at 31 March 2021
Total number of issued shares	1,383,818,100	883,818,100

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

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable, as the Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as the Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditor.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)

Not applicable.

3A. 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.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is material uncertainty relating to going concern.

(a) Not applicable.

(b) Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those in the most recently audited consolidated financial statements for the financial year ended 31 March 2021 as set out in the Company's annual report.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the applicable new and revised Financial Reporting Standards ("**FRS**") in Singapore and the related Interpretations to FRS ("**INT FRS**") that are relevant to its operation and effective for the accounting periods beginning on or after 1 April 2021. The adoption of these new and revised FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends
(a) based on the weighted average number of ordinary shares in issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

Please refer to paragraph E7 above.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the
(a) Current period reported on; and
(b) Immediately preceding financial year

Net asset value ("NAV")	Group		Company	
	31-Mar-2022 (Unaudited)	31-Mar-2021 (Audited)	31-Mar-2022 (Unaudited)	31-Mar-2021 (Audited)
NAV (RMB'000)	516,941	453,915	905,736	857,910
Number of ordinary shares in issue (in thousands)	1,383,818	883,818	1,383,818	883,818
NAV per ordinary share (RMB)	0.37	0.51	0.65	0.97

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Consolidated Statement of Comprehensive Income

Revenue

The revenue of the Group for the second half financial year ended 31 March 2022 ("**2H FY2022**") increased by approximately RMB 1.1 million or 0.7% from RMB 157.0 million for the second half financial year ended 31 March 2021 ("**2H FY2021**") to RMB 158.1 million in 2H FY2022. The revenue of the Group for financial year ended 31 March 2022 ("**FY2022**") increased by approximately RMB 3.6 million or 1.3% from RMB 285.5 million for the financial year ended 31 March 2021 ("**FY2021**") to RMB 289.1 million in FY2022.

The increase in 2H FY2022 and FY2022 were mainly due to the recovery of economic activities from the prolonged impact of the COVID-19 pandemic since February 2020. However, towards the end of FY2022 i.e., since February 2022, the rate of increase in revenue decreased due to the impact of a resurgence in COVID-19 cases and a worsening of the COVID-19 situation in China.

During 2H FY2022, the revenue from sales of sweet potato snack products increased by approximately RMB 3.0 million or 2.4% from RMB122.8 million in 2H FY2021 to RMB 125.7 million in 2H FY2022. However, the increase was partially offset by a decrease in sales of fresh sweet potatoes by approximately RMB 1.8 million or 5.3% from RMB 34.2 million in 2H FY2021 to RMB 32.4 million in 2H FY2022. In FY2022, the revenue from sales of sweet potato snack products from RMB 216.8 million in FY2021 to RMB 235.6 million in FY2022, representing an increase of approximately RMB 18.8 million or 8.7% over the previous year. This was partially offset by the decrease in sales of fresh sweet potatoes by approximately RMB 15.1 million or 22.0% from RMB 68.7 million in FY2021 to RMB 53.6 million in FY2022.

Gross Profit and Gross Profit Margin

Gross profit in 2H FY2022 increased by approximately RMB 3.1 million or 7.9% from RMB 39.5 million in 2H FY2021 to RMB 42.6 million in 2H FY2022. In FY2022, the gross profit improved by approximately RMB 8.4 million or 12.0% from approximately RMB 69.6 million in FY2021 to RMB 78.0 million. The increase in gross profit for both 2H FY2022 and FY2022 were mainly due to the increase in revenue from sales of sweet potato snack products recorded in 2H FY2022 and FY2022 as compared to 2H FY2021 and FY2021 respectively. The Group's gross profit margin increased from approximately 25.2% in 2H FY2021 and 24.4% in FY2021 to 27.0% in 2H FY2022 and FY2022. The increase was mainly due to an increase in the efficiency of operating cost of sales of its sweet potatoes snack product, coupled with higher sales of higher margin snack product categories.

Finance Income

Interest income increased by approximately RMB 118,000 or 47.8% from RMB 247,000 in 2H FY2021 to RMB 365,000 in 2H FY2022. During FY2022, interest income increased from RMB 418,000 in FY2021 to RMB 682,000 in FY2022, representing an increase of RMB 264,000 or approximately 63.2%. The increase in interest income over the respective periods were mainly due to the increase in interest received from banks on the back of an increase in average cash and bank balances held by the Group in 2H FY2022 and FY2022 as compared to 2H FY2021 and FY2021 respectively.

Other Income

Other income decreased from RMB 141,000 in 2H 2021 to RMB 4,000 in 2H 2022. During FY2022, the other income decreased from RMB 720,000 in FY2021 to RMB77,000 in FY2022, representing a decrease of RMB 643,000 or approximately 89.3%. The decrease was due to the absence of rental income received from third parties for renting out a factory premise in 2H FY2022 and FY2022 as a result of the disposal of the said factory premise in late FY2021.

Marketing and Distribution Costs

Marketing and distribution costs increased by approximately RMB 1.8 million or 9.5% from RMB 18.4 million 2H FY2021 to RMB 20.2 million in 2H FY2022. During FY2022, the marketing and distribution costs increased from RMB 36.6 million in FY2021 to RMB 37.3 million in FY2022, representing an increase of approximately RMB 0.7 million or 2.0%. The increase in 2H FY2022 as compared to 2H FY2021 was mainly due to the increase in advertisement costs and employee benefit expenses of RMB 2.7 million and RMB 0.9 million respectively, which was partially offset against the decrease in publicity expenses and operating expenses of RMB 1.5 million and RMB 0.3 million respectively. The increase for FY2022 was mainly due to the increase in advertisement expenses, delivery charges, operating expenses and employee benefit expenses of RMB 0.9 million, RMB 0.4 million, RMB 0.2 million and RMB 1.5 million respectively, which was partially offset against the decrease in publicity expenses of RMB 2.2 million.

Administrative Expenses

Administrative expenses decreased by approximately RMB 3.9 million or 17.9% from RMB 22.6 million in 2H FY2021 to RMB 18.5 million in 2H FY2022. During FY2022, administrative expenses decreased by approximately RMB 11.5 million or 25.8% from RMB 44.6 million in FY2021 to RMB 33.1 million in FY2022.

The decrease in administrative expenses for 2H FY2022 was mainly due to the decrease in research and development expenses, depreciation expenses, secretarial expenses, audit fee, nursery fee and other expenses of RMB 2.5 million, RMB 0.4 million, RMB 0.2 million, RMB 0.1 million, RMB 0.3 million and RMB 1.9 million respectively, which was partially offset against the increase in consultant fee, directors' remunerations, listing and services fee, and employee benefit expenses of RMB 0.6 million, RMB 0.2 million, RMB 0.2 and RMB 0.8 million respectively. The decrease in administrative expenses for FY2022 was mainly due to decreases in audit fees (overprovision in the previous year) of RMB 1.3 million, depreciation expenses of RMB 1.7 million, research and developments expenses of RMB 8.9 million and other expenses of RMB 1.3 million respectively, which was partially offset against the increase in director's remunerations of RMB 0.9 million, consultant fee of RMB 0.9 million, nursery fee of RMB 0.2 million, and employee benefit expenses of RMB 1.3 million. The decrease in research and developments expenses was mainly due to (a) certain one-off payments made to third parties in FY2021 for services rendered to support the Group's research and development process, and (b) the purchase of relevant materials in FY2021 for research and development purposes, where such materials are still being utilised by the Group in FY2022.

Other Losses

Other losses decreased by approximately RMB 0.6 million or 52.1% from RMB 1.1 million in 2H FY2021 and FY2022 to RMB 0.5 million in 2H FY2022 and FY2022. The decrease was mainly due to the absence of property, plant and equipment written off expenses of RMB 0.2 million and loss on disposal of intangible assets of RMB 0.7 million, which was partially offset against the increase in loss on disposal of property, plant and equipment of RMB 0.3 million.

Finance Costs

Finance costs increased by approximately RMB 98,000 or 15.2% from RMB 643,000 in 2H FY2021 to RMB 741,000 in 2H FY2022. During FY2022, the finance costs increased by approximately RMB 36,000 or 2.5% from RMB 1,429,000 in FY2021 to RMB 1,465,000 in FY2022. The overall increase in 2H FY2022 and FY2022 were mainly due to the increase in interest charged by the bank for borrowings taken on by the Group in 2H FY2022 and FY2022 as compared to 2H FY2021 and FY2021.

Income Tax Credit/(Expenses)

The Group recorded income tax credit of approximately RMB 870,000 in 2H FY2021 as compared to income tax expenses of RMB 129,000 in 2H FY2022. The change from income tax credit to income expenses for 2H FY2022 was mainly due to the overprovision of income tax expenses. Overall, the income tax credit decreased by approximately RMB 19,000 or 5.8% from RMB 326,000 in FY2021 to RMB 307,000 in FY2022, mainly due to the overprovision of income tax expenses for FY2022.

Consolidated Statement of Financial Position

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 March 2022 and 31 March 2021.

Non-current Assets

There was an increase in the Group's total non-current assets of approximately RMB 52.8 million or 25.4%, from RMB 207.5 million as at 31 March 2021 to RMB 260.2 million as at 31 March 2022. This was mainly due to an increase in other assets (non-current) of approximately RMB 51.5 million or 145.8% arising from additional advance payment to the suppliers, which was partially offset against the amortisation of long-term deferred expenses and the decrease in advance payments to suppliers upon delivery of the supplies of raw sweet potatoes by the suppliers, which was recognised and offset against the payments over the contractual period. As at 31 March 2022, other assets (non-current) amounted to approximately RMB 86.8 million, comprising mainly advance payments to suppliers for the long-term supply contracts of raw sweet potatoes.

Plant, property and equipment ("**PPE**") increased by approximately RMB 1.0 million or 0.8%, from RMB 127.3 million as at 31 March 2021 to RMB 128.3 million as at 31 March 2022. This was due to additions to PPE which was offset against the depreciation expense recorded on PPE in FY2022.

Intangible assets decreased by approximately RMB 0.2 million or 0.6%, from RMB 37.3 million as at 31 March 2021 to RMB 36.1 million as at 31 March 2022. This was mainly due to the amortisation expense recorded in FY2022 which was offset against the purchase of a manufacturing patent of RMB 1.2 million.

Deferred tax assets increased by approximately RMB 0.4 million or 5.8% from RMB 7.6 million as at 31 March 2021 to RMB 8.0 million as at 31 March 2022. The increase in deferred tax assets was mainly due to the underestimation of unutilised losses of the Company's subsidiary which was brought forward for future utilisation of income tax expenses/income.

Current Assets

Inventories decreased by approximately RMB 0.7 million or 19.1% from RMB 3.5 million as at 31 March 2021 to RMB 2.8 million as at 31 March 2022. The decrease was mainly due to higher sales (and hence higher utilisation of inventories) during FY2022 as compared to FY2021.

Trade and other receivables decreased by approximately RMB 5.8 million or 12.4% from RMB 47.0 million as at 31 March 2021 to RMB 41.2 million as at 31 March 2022. The decrease was mainly due to the increase in collection of debts as compared to the previous corresponding period.

Other assets (current) increased by approximately RMB 8.4 million or 13.7% from RMB 61.4 million as at 31 March 2021 to RMB 69.8 million as at 31 March 2022. This was mainly due to the increase in advance payment to the construction company of approximately RMB 7.4 million and advance payment to suppliers who delivered supplies of raw sweet potatoes of approximately RMB 7.2 million, which was offset against a decrease in prepayment to other contracted supplier.

Cash and bank balances increased by approximately RMB 1.1 million or 0.6% as a result of (i) the decrease in trade and other receivables of which the cash payments received by the Group were utilised to offset against the payments to contracted suppliers, (ii) proceeds from the issuance of new shares of the Company and (iii) net proceeds from new bank loans, after taking into account the repayment of bank loans. Please refer to the "Consolidated Statement of Cash Flows" section below for more details on the change in cash and cash equivalents of the Group.

As a result of the above, the Group's total current assets increased by approximately RMB 3.1 million or 1.0% from RMB 308.2 million as at 31 March 2021 to RMB 311.3 million as at 31 March 2022.

Current Liabilities

Trade and other payables decreased by approximately RMB 9.6 million or 34.1% from RMB 28.1 million as at 31 March 2021 to RMB 18.5 million as at 31 March 2022. This was mainly due to the increase in settlement of trade payables to its suppliers as compared to the previous corresponding period.

Other financial liabilities increased by RMB 2.5 million or approximately 7.5% from RMB 33.3 million as at 31 March 2021 to RMB 35.8 million as at 31 March 2022. This was mainly due to the increase in short-term borrowings taken by the Group as at 31 March 2022.

As a result of the above, the Group's current liabilities decreased by approximately RMB 7.2 million or 11.7% from RMB 61.6 million as at 31 March 2021 to RMB 54.5 million as at 31 March 2022.

Consequent to the increase in current assets and the decrease in current liabilities as set out above, the Group recorded positive working capital of approximately RMB 256.9 million as at 31 March 2022.

Consolidated Statement of Cash Flows

The Group recorded net cash used in operating activities of approximately RMB 38.4 million in FY2022 as compared to net cash generated from operating activities of approximately RMB 89.9 million in FY2021. In respect of FY2022, the net cash used operating activities comprised mainly the positive operating cash flow before changes in working capital of approximately RMB 24.3 million, adjusted by net working capital outflow of approximately RMB 62.7 million. Changes in other assets of approximately RMB 59.9 million formed the bulk of the changes in working capital of approximately RM62.7 million for FY2022, as a result of the advance payments of approximately RMB 107.1 million to suppliers for supplies of sweet potatoes.

Net cash used in investing activities amounted to approximately RMB 18.0 million in FY2022 as compared to approximately RMB 0.5 million in FY2021. The increase was mainly due to the commencement of construction and redevelopment of a plot of land by Fujian Zixin Biological Potato Co., Ltd, and the purchase of a manufacturing patent and other additions to property, plant and equipment.

Net cash from financing activities amounted to approximately RMB 57.6 million in FY2022 as compared to net cash from financing activities of approximately RMB 35.9 million in FY2021. This increase was mainly due to the proceeds arising from the completion of issuance of new shares of the Company in 2H FY2022.

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

Not applicable, as no specific forecast or prospect statement was previously provided.

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

The emergence of new COVID-19 variants and the resulting lockdowns in some cities in China may have slowed the recovery of economic activities. Among Chinese businesses, monthly surveys released showed sentiment among manufacturing and service businesses fell in April 2022 to the lowest since the initial shock of the pandemic in February 2020(1). In the event that the prevailing COVID-19 restrictions in China are tightened further as a result of a further and prolonged resurgence of COVID-19 cases and more cities are put under lockdown, the Company's operations may be negatively impacted due to its ability to deliver products to such affected areas being hindered by the said restrictions.

Recently, the Group has completed its scheduled planting of sweet potato seedlings in the contracted 8,268.6mu (approximately 5,512,427.6m^2) farmland through the Liancheng County Cooperatives, to grow the chosen varieties of sweet potatoes using the sweet potato seedlings that it cultivated in-house. These sweet potatoes will be ready for harvest from October 2022 and can be sold fresh for consumption or processed into snack products under the Group's proprietary brands in its snack food manufacturing facilities.

The Group has achieved new milestones from its research and development ("**R&D**") efforts on the production of functional food and waste materials such as sweet potato skins, leaves, and stems, following its announcement on 17 August 2021. While waiting for construction of the first phase of the high-tech manufacturing facility to be completed by end December 2022, the Group has completed its R&D in producing purple sweet potato powder and retaining its nutrients with minimal processing, as well as turning the waste materials, through a fermentation process with probiotics, into nutritional and safe feeds for poultry. The poultry feeds are currently undergoing field trials before they can be sold commercially to poultry farms in China.

According to Statista, the global sweet potato market is expected to be worth about US$ 45.7 billion by 2025(2), with China currently the largest sweet potato producer in the world. Revenue from the snack food segment in China is expected to reach US$ 55.25 billion in 2022, and the market is expected to grow at a CAGR of approximately 10.4% from 2022 to 2027(3). On top of that, Chinese consumers are also becoming more health-conscious, especially since the COVID-19 pandemic. These trends may bode well for the Group.

The Company will continue to update shareholders on material developments as and when appropriate.

Source:

(1) https://www.cnbc.com/2022/05/06/chinas-covid-lockdowns-hit-more-of-the-country-beyond-shanghai-beijing.html

(2) https://www.statista.com/statistics/1100004/global-sweet-potato-market-size/

(3) https://www.statista.com/outlook/cmo/food/confectionery-snacks/snack-food/china

11. Dividend

If decision regarding dividend has been made:

(a) Whether an interim (final) dividend has been declared (recommended); and

No.

(b) Previous corresponding period

No.

(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.

No.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared for FY2022. The Group intends to conserve the cash resources in anticipation of unpredictable market conditions for the financial year ahead. These conditions stem mainly from the resurgence of COVID-19 cases in China since February 2022, which has resulted in the further lockdown of affected cities. The lockdowns have had an impact on the operations and logistics of the Company, such as the shipping of products to consumers in those affected areas. Accordingly, conserving its cash resources will ensure that the operations of the Group as well as the upcoming phases of its construction projects are not significantly affected. The Group aims to keep the progress of its construction projects undisturbed, as any prolonging of the construction time will result in an increase in construction costs.

The board of directors of the Company (the "**Board**") will continue to observe the situation and assess, among others, the Group's financial performance and position in respect of the relevant financial period, before deciding on whether to declare dividends.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained an IPT mandate pursuant to Rule 920(1)(a)(ii) of the Catalist Rules.

There was no IPT of S$100,000 and above (or equivalent) for the current financial period reported on.

14. Use of proceeds

Following the completion of the placement exercise by the Company on 19 November 2021 (the "**FY2022 Placement**") where the Company had raised S$11,900,000 in net proceeds (the "**Net Cash Proceeds**"), the Company had subsequently provided an update on the use of proceeds in respect of the FY2022 Placement on 27 January 2022. In this regard, the Board wishes to provide an update on the utilisation of the Net Cash Proceeds from the FY2022 Placement as at the date of this announcement:

(S$'000)	Allocation of the Net Cash Proceeds	Balance brought forward from 27 January 2022	Amount utilised as of the date of this announcement	Balance
To fulfil the paid-up share capital requirement of Fujian Zixin[(1)]	5,200	5,200	–	5,200[(2)]
Future expansion of the Group's business in Singapore[(3)]	4,000	4,000	–	4,000
Working capital for the Group[(4)]	2,700	2,297	108	2,189
	11,900	**11,497**	**108**	**11,389**

Notes:

(1) Please refer to the Company's announcements dated 21 September 2021 and 23 September 2021 for further details.

(2) With reference to the Company's announcement dated 21 September 2021 and its responses to questions from shareholders dated 23 September 2021, the Company had stated its intention to fulfill the capital commitment of its wholly-owned subsidiary, Fujian Zixin Biological Potato Co., Ltd.'s ("**Fujian Zixin's**") registered share capital through funds raised from the FY2022 Placement. Due to the difficult global market conditions and the recent outbreak and resurgence of COVID-19 in the PRC in February 2022, the Company had to devote all its attention to the Group's operational and business needs. As a result, the procedure of fulfilling the capital commitment of Fujian Zixin has been temporarily put on hold. Accordingly, the Net Cash Proceeds allocated for the purpose of fulfilling the paid-up share capital requirement of Fujian Zixin remains unutilised as at the date of this announcement.

(3) Please refer to the Company's announcements dated 21 September 2021 and 23 September 2021 for further details.

(2) A breakdown of the amount utilised for the working capital for the Group is as follows:

	Working Capital (S$'000)
Summary of expenses:	
Employee benefit expenses (including director's remuneration)	40
Administrative and miscellaneous expenses	68
Total	**108**

The above utilisation of the Net Cash Proceeds from the FY2022 Placement is consistent with the intended use as disclosed in the Company's announcement dated 21 September 2022 in relation to the FY2022 Placement.

In addition to the foregoing, as set out in the Company's announcement dated 27 January 2022 in relation to the use of proceeds from the placement exercise completed on 1 February 2021 (the "**FY2021 Placement**"), the net proceeds raised by the Company from the FY2021 Placement had since been fully utilised in the manner which is consistent with the intended use as disclosed in the Company's announcement dated 22 January 2021.

15. Negative confirmation pursuant to Rule 705(5).

Not applicable for full year results announcement.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1) of the Catalist Rules.

Part II Additional Information Required for Full Year Announcement

17. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable. The Group only has one (1) operating segment (sweet potatoes snack foods) and one (1) geographical segment (PRC).

18. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Not applicable. The Group only has one (1) operating segment (sweet potatoes snack foods) and one (1) geographical segment (PRC).

19. A breakdown of sales as follows:

	Group		
	FY2022 RMB'000	**FY2021 RMB'000**	**Increase / (Decrease) %**
(a) Sales reported for first half year	130,985	128,472	2.0
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	3,661	(10,719)	n.m.
(c) Sales reported for second half year	158,147	157,002	0.7
(d) Operating profit/(loss) after tax before deducting minority interests reported for second half year	2,927	(1,957)	n.m.

n.m. - not meaningful

20. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend has been declared or recommended for FY2022 and FY2021.

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

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

By Order of the Board
China Star Food Group Limited

LIANG CHENGWANG
Executive Chairman and Chief Executive Officer

30 May 2022