



恒宝环球

HB Global Limited

(Company Registration No.: 200608505W)

(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR
THE SECOND QUARTER ENDED 30 JUNE 2024

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR
THE SECOND QUARTER ENDED 30 JUNE 2024

Unaudited Condensed Consolidated Statement Of Comprehensive Income

	Quarter Ended	Preceding Year Corresponding Quarter	Year to Date Ended	Year to Date Ended	Quarter Ended	Preceding Year Corresponding Quarter	Year to Date Ended	Year to Date Ended
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RMB'000	RMB'000	RMB'000	RMB'000	RM'000	RM'000	RM'000	RM'000
Revenue	20,517	18,953	38,579	36,917	13,328	12,285	25,061	23,830
Cost of sales	(16,825)	(16,833)	(34,327)	(34,532)	(10,930)	(10,915)	(22,299)	(22,290)
Gross profit	3,692	2,120	4,252	2,385	2,398	1,370	2,762	1,540
Selling and distribution expenses	(216)	(134)	(381)	(243)	(140)	(87)	(247)	(157)
General and administrative expenses	(4,630)	(3,997)	(9,263)	(10,405)	(3,008)	(2,598)	(6,017)	(6,716)
Other operating expenses	-	(1,117)	(3)	(3,402)	-	(727)	(2)	(2,196)
Operating loss	(1,154)	(3,128)	(5,395)	(11,665)	(750)	(2,042)	(3,504)	(7,529)
Finance costs	(266)	(406)	(601)	(808)	(173)	(264)	(390)	(522)
Loss before taxation	(1,420)	(3,534)	(5,996)	(12,473)	(923)	(2,306)	(3,894)	(8,051)
Taxation	-	-	-	-	-	-	-	-
Loss after taxation	(1,420)	(3,534)	(5,996)	(12,473)	(923)	(2,306)	(3,894)	(8,051)
Other comprehensive income/(loss) for the period (net of tax)	6,664	420	(842)	2,010	4,329	275	(547)	1,297
Total comprehensive profit/(loss) after tax	5,244	(3,114)	(6,838)	(10,463)	3,406	(2,031)	(4,441)	(6,754)



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THE SECOND QUARTER ENDED 30 JUNE 2024

Unaudited Condensed Consolidated Statement Of Comprehensive Income

	Quarter Ended <u>30 June 2024</u>	Preceding Year Corresponding Quarter <u>30 June 2023</u>	Year to Date Ended <u>30 June 2024</u>	Year to Date Ended <u>30 June 2023</u>	Quarter Ended <u>30 June 2024</u>	Preceding Year Corresponding Quarter <u>30 June 2023</u>	Year to Date Ended <u>30 June 2024</u>	Year to Date Ended <u>30 June 2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RM'000	RM'000	RM'000	RM'000
Loss attributable to:-								
- Equity holders of HB	(1,420)	(3,534)	(5,996)	(12,463)	(923)	(2,306)	(3,894)	(8,045)
- Non-controlling interest	-	-	-	(10)	-	-	-	(6)
Total comprehensive profit/(loss) attributable to:-								
- Equity holders of HB	5,244	(3,114)	(6,838)	(10,455)	3,406	(2,031)	(4,441)	(6,749)
- Non-controlling interest	-	-	-	(8)	-	-	-	(5)
Loss per share								
- Basic (cents per share)	(0.18)	(0.45)	(0.77)	(1.60)	(0.12)	(0.30)	(0.50)	(1.03)
- Diluted (cents per share)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note:

The financial statements are presented in Renminbi (“RMB”) and translated into Ringgit Malaysia (“RM”) for information purposes and reference at the exchange rate of RMB1: RM0.6496 at 30 June 2024 and RM0.6455 at 30 June 2023 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented have been or could be converted in RM at this or any other rate.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

Condensed Consolidated Statements of Financial Positions

	Unaudited As at 30 June 2024	Audited As at 31 December 2023	Unaudited As at 30 June 2024	Audited As at 31 December 2023
	RMB'000	RMB'000	RM'000	RM'000
<u>Non-Current Assets</u>				
Property, plant and equipment	162,087	169,944	105,292	109,749
Intangible assets	31,620	31,620	20,540	20,420
	193,707	201,564	125,832	130,169
<u>Current Assets</u>				
Inventories	3,632	6,879	2,360	4,443
Trade and other receivables	13,137	13,447	8,534	8,684
Cash and bank balances	809	446	526	288
	17,578	20,772	11,420	13,415
TOTAL ASSETS	211,285	222,336	137,252	143,584
<u>Capital and Reserves</u>				
Share capital	260,129	260,129	168,980	167,991
Reserves	59,465	60,307	38,629	38,946
Accumulated losses	(164,076)	(158,080)	(106,583)	(102,088)
Total Equity	155,518	162,356	101,026	104,849
<u>Current Liabilities</u>				
Trade and other payables	11,351	12,892	7,373	8,325
Amount due to directors	5,625	2,697	3,654	1,742
Bank borrowings	2,200	44,391	1,429	28,668
	19,176	59,980	12,456	38,735
<u>Non-Current Liabilities</u>				
Bank borrowings	36,591	-	23,770	-
	36,591	-	23,770	-
TOTAL LIABILITIES	55,767	59,980	36,226	38,735
TOTAL EQUITY AND LIABILITIES	211,285	222,336	137,252	143,584
Net asset per share attributable to equity holders of the Company (RMB / RM) ⁽ⁱ⁾	0.20	0.21	0.13	0.13

The Company had submitted its Audited Financial Statements for the year ended 31 December 2023 on due date and had made announcement on 30 April 2024.

Note:

- (1) The net assets per share attributable to equity holders of the Company is computed based on the net assets as at 30 June 2024 and 31 December 2023 divided by the number of ordinary shares of 781,993,740.
- (2) The financial statements are presented in Renminbi ("RMB") and translated into Ringgit Malaysia ("RM") for information purposes and reference at the exchange rate of RMB1: RM0.6496 at 30 June 2024 and RM0.6458 at 31 December 2023 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented, have been or could be converted in RM at this or any other rate.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

Unaudited Condensed Consolidated Statements Of Changes In Equity

6 months ended 30 June 2024	Share capital	Statutory reserves	Capital reserves	Currency Translation Reserve	Accumulated losses	Non-controlling interest	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	260,129	76,090	(17,106)	1,323	(158,080)	-	162,356
Total comprehensive loss for the period	-	-	-	(842)	(5,996)	-	(6,838)
At 30 June 2024	<u>260,129</u>	<u>76,090</u>	<u>(17,106)</u>	<u>481</u>	<u>(164,076)</u>	<u>-</u>	<u>155,518</u>

6 months ended 30 June 2024	Share capital	Statutory reserves	Capital reserves	Currency Translation Reserve	Accumulated losses	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	168,980	49,428	(11,112)	860	(102,689)	-	105,467
Total comprehensive loss for the period	-	-	-	(547)	(3,894)	-	(4,441)
At 30 June 2024	<u>168,980</u>	<u>49,428</u>	<u>(11,112)</u>	<u>313</u>	<u>(106,583)</u>	<u>-</u>	<u>101,026</u>

Note:

- (1) The financial statements are presented in Renminbi ("RMB") and translated into Ringgit Malaysia ("RM") for information purposes and reference at the exchange rate of RMB1: RM0.6496 at 30 June 2024 and : RM0.6455 at 30 June 2023 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented have been or could be converted in RM at this or any other rate.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

Unaudited Condensed Consolidated Statements Of Changes In Equity (continue)

6 months ended 30 June 2023	Share capital	Statutory reserves	Capital reserves	Currency translation reserve	Retained earnings	Non- controlling interest	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	259,349	76,090	(17,106)	(741)	(112,250)	(97)	205,245
Total comprehensive profit/(loss) for the period	-	-	-	2,008	(12,463)	(8)	(10,463)
Non controlling interest on disposal of subsidiary	-	-	-	10	-	105	115
At 30 June 2023	<u>259,349</u>	<u>76,090</u>	<u>(17,106)</u>	<u>1,277</u>	<u>(124,713)</u>	<u>-</u>	<u>194,897</u>

6 months ended 30 June 2023	Share capital	Statutory reserves	Capital reserves	Currency translation reserve	Retained earnings	Non- controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	167,410	49,116	(11,042)	(478)	(72,457)	(63)	132,486
Total comprehensive profit/(loss) for the period	-	-	-	1,296	(8,045)	(5)	(6,754)
Non controlling interest on disposal of subsidiary	-	-	-	6	-	68	74
At 30 June 2023	<u>167,410</u>	<u>49,116</u>	<u>(11,042)</u>	<u>824</u>	<u>(80,502)</u>	<u>-</u>	<u>125,806</u>

Note:

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

Unaudited Condensed Consolidated Statements Of Cash Flow

	As at 30 June 2024	As at 30 June 2023	As at 30 June 2024	As at 30 June 2023
	RMB'000	RMB'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax	(5,996)	(12,473)	(3,894)	(8,051)
Adjustments for:				
Non-cash items	7,015	6,690	4,556	4,318
Non-operating items	601	809	390	522
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	1,620	(4,974)	1,052	(3,211)
Net changes in current assets	3,554	2,190	2,309	1,413
Net changes in current liabilities	(1,538)	708	(999)	457
Cash from operations	3,636	(2,076)	2,362	(1,341)
Interest paid	(601)	(809)	(390)	(522)
Net cash generated from/(used in) operating activities	3,035	(2,885)	1,972	(1,863)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	-	(53)	-	(34)
Net cash used in investing activities	-	(53)	-	(34)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from directors	2,926	-	1,901	-
Repayment of bank borrowings and lease liabilities	(5,600)	(1,009)	(3,638)	(651)
Net cash used in financing activities	(2,674)	(1,009)	(1,737)	(651)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	361	(3,947)	235	(2,548)
Exchange rate translation differences	2	2,008	1	1,296
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	446	2,231	290	1,440
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	809	292	526	188

Note:

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

A. SELECTED EXPLANATORY NOTES TO THE UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

1. Basis of preparation

a) Basis of accounting

The financial statements are unaudited and have been prepared in accordance with the provisions of the Singapore Companies Act (the “Act”), Singapore Financial Reporting Standards (International) [“SFRS(I)s”] which are simultaneously compliant with International Financial Reporting Standard (IFRSs) issued by the International Accounting Standards Board (IASB) and paragraph 9.22 and Part A of Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, and should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this unaudited financial report.

b) Changes in accounting policies

The Group has adopted a new financial reporting framework, SFRS(I) on 1 January 2018. SFRS(I)s comprise standards and interpretations that are equivalent to IFRSs as issued by the International Accounting Standards Board. An entity that compiles with SFRS(I)s can also elect to simultaneously include an explicit and unreserved statement of compliance with IFRS. The Group has elected to assert dual compliance with both SFRS(I)s and IFRSs with effect from annual periods beginning on or after 1 January 2018. All references to SFRS(I)s and IFRSs are referred collectively as SFRS(I)s in these financial statements, unless specified otherwise. The financial statements for the financial year ended 31 December 2018 are the first set of annual financial statements the Group prepared in accordance with SFRS(I)s. The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of accounting estimates and assumptions. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates.

INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2018

On 1 January 2018, the Company adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Company’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I). The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

c) Basis of consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year.

The Group was formed as a result of the restructuring exercise undertaken on 25 September 2009 for the purpose of the Company’s listing on the main market of the Bursa Malaysia Securities Berhad. The acquisition of 100% equity in the subsidiary, namely Rizhao Hengbao Foodstuffs Co., Ltd pursuant to the restructuring exercise under common control has been accounted for using the pooling-of-interest method. Under the pooling-of-interest method, the consolidated financial statements of the Group have been presented as if the Group structure immediately after the restructuring has been in existence since the earliest financial year presented. The assets and liabilities were brought into the consolidated statement of financial position at their existing carrying amounts. The pooling-of-interest method will continue to be used for the entities in existence up to the Group’s reorganization exercise.

All inter-company balances and significant inter-company transactions and resulting unrealized profits and losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only. The results of subsidiaries acquired or disposed of during the financial year are included or excluded from the consolidated statement of comprehensive income from the effective date in which control is transferred to the Group or in which control ceases, respectively.



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c) Basis of consolidation (continued)

Where accounting policies of a subsidiary do not confirm with those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

2. Audit report of the Group's preceding annual financial statements

The Group's audited consolidated financial statements for the financial year ended 31 December 2023 was unqualified but with material uncertainty related to going concern as follows:

Material Uncertainty Related to Going Concern

We draw attention to Note 1.2 to the financial statement which indicate as at 31 December 2023, the Group had net current liabilities of RMB39,208,000. The Group also incurred a net loss of RMB47,894,000 for the financial year ended 31 December 2023. As stated in Note 1.2, these events or conditions, along with other matters as set forth in Note 1.2, indicated that material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The auditor UHY Lee Seng Chan & Cohas also issued a statement in respect of HB's Financial Statements for 31 December 2023 ("FY2023") to draw an attention to the board and shareholders as regard to key audit matter as follows.

Pursuant to Paragraph 9.19(37) of the Main Market Listing Requirements, the description of the Statement is as follows:

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

i) **Impairment of property, plant and equipment and right-of-use assets**

The key audit matter highlighted by independent auditors had no material changes or further development as compared to 31 December 2023.

3. Seasonality or cyclical of operation

The business of the Group was not affected by any significant seasonal and cyclical factors for the financial period other than the holiday effect on the operation for Chinese New Year festival.

4. Unusual items

There were no unusual items for the current financial period.

5. Changes in estimates

There were no material changes in estimates for the current financial period.

6. Changes in share capital and debts

There was no issuance, cancellations, repurchase, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares for the current financial period.



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7. Dividends

In view of the current business climate, no dividend was declared or paid by the Group in the current financial period under review.

8. Segment information

Financial Period Ended 30 June 2024					
	Ready-to- serve Food	Frozen Vegetables	Technology	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	26,690	3,416	-	8,473	38,579
Segment results	4,581	664	-	(993)	4,252
Unallocated costs					(9,647)
Finance expenses					(601)
Loss before income tax					(5,996)
Income tax expense					-
Loss for the period					(5,996)
Other segment information:					
Depreciation and amortisation					7,857

Financial Period Ended 30 June 2024					
	Ready-to- serve Food	Frozen Vegetables	Technology	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	17,338	2,219	-	5,504	25,061
Segment results	2,976	431	-	(645)	2,762
Unallocated costs					(6,266)
Finance expenses					(390)
Loss before income tax					(3,894)
Income tax expense					-
Loss for the period					(3,894)
Other segment information:					
Depreciation and amortisation					5,104



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8. Segment information (continued)

Note:

- (1) The financial statements are presented in Renminbi (“RMB”) and translated into Ringgit Malaysia (“RM”) for information purposes and reference at the exchange rate of RMB1: RM0.6496 at 30 June 2024 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented have been or could be converted in RM at this or any other rate.

Financial Period Ended 30 June 2023					
	<u>Ready-to-serve Food</u>	<u>Frozen Vegetables</u>	<u>Technology</u>	<u>Others</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	20,482	6,668	-	9,767	36,917
Segment results	1,897	457	(40)	71	2,385
Other income					-
Unallocated costs					(14,050)
Finance expenses					(808)
Loss before income tax					(12,473)
Income tax expense					-
Loss for the period					(12,473)
Other segment information:					
Depreciation and amortisation					7,010
Capital expenditures					53

Financial Period Ended 30 June 2023					
	<u>Ready-to-serve Food</u>	<u>Frozen Vegetables</u>	<u>Technology</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	13,221	4,304	-	6,305	23,830
Segment results	1,225	295	(26)	46	1,540
Other income					-
Unallocated costs					(9,069)
Finance expenses					(522)
Loss before income tax					(8,051)
Income tax expense					-
Loss for the period					(8,051)
Other segment information:					
Depreciation and amortisation					4,525
Capital expenditures					34



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8. Segment information (continued)

Note:

- (1) The financial statements are presented in Renminbi (“RMB”) and translated into Ringgit Malaysia (“RM”) for information purposes and reference at the exchange rate of RMB1: RM0.6455 at 30 June 2023 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented have been or could be converted in RM at this or any other rate.

9. Subsequent events

There were no material subsequent events as at the date of this announcement that will affect the results of the current financial period.

10. Changes in the composition of the Group

Saved as disclosed below, there were no material changes in the composition of the Group as at latest practicable date:

- i. On 12 August 2024, the Company had incorporated two wholly owned subsidiaries, Matahari Agriculture Sdn Bhd and Matahari Aquaculture Sdn Bhd, with share subscription of 1 ordinary share at RM1 respectively.

11. Contingent liability or assets

There were no material contingent liabilities or assets which may have material effect on the financial position of the Group.

12. Non-current assets

There was no material acquisition or disposal of non-current assets during the current financial period.

13. Capital commitment

There was no material capital commitment during the current financial period.

14. Significant related party transactions

There were no significant related party transactions entered into during the current financial period.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

B. INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD UNDER LISTING REQUIREMENTS

1. Review of the performance of the Group

Current Year-To-Date versus Preceding Year-To-Date:

Group revenue increased by RMB1.7 million from RMB36.9 million in financial period ended 30 June 2023 (“FPE2023”) to RMB38.6 million in financial period ended 30 June 2024 (“FPE2024”). The increase was mainly due to increase in sales of a major China’s subsidiary.

General and administrative expenses in FPE2024 amounted to RMB9.3 million was lower compared to RMB10.4 million in FPE2023. This is mainly due to lower expenses incurred by China subsidiaries amidst effort implemented on cost reduction initiatives.

The Group incurred lower loss before tax of RMB6.0 million in FPE2024 compared to RMB12.5 million in FPE2023 mainly due to higher gross profit and lower expenses incurred in FPE2024.

Current Quarter versus Preceding Quarter:

Group revenue increased by RMB1.5 million from RMB19.0 million in previous year quarter (“Q2 2023”) to RMB20.5 million in current year quarter (“Q2 2024”). The increase was mainly due to increase in sales of a major China’s subsidiary.

The Group incurred loss before tax of RMB1.4 million in Q2 2024 compared to RMB3.5 million in Q2 2023 mainly due to higher gross profit and lower expenses incurred in Q2 2024.

2. Variation of results against immediate preceding quarter

	Current Quarter 30 Jun 2024		Preceding Quarter 31 Mar 2024	
	RMB'000	RM'000	RMB'000	RM'000
Revenue	20,517	13,328	18,062	11,805
Loss Before Taxation	(1,420)	(923)	(4,576)	(2,991)
Loss After Taxation	(1,420)	(923)	(4,576)	(2,991)

The Group recorded revenue of RMB20.5 million in the current quarter compared to RMB18.1 million in the preceding quarter.

Q2 2024 recorded lower loss before taxation of RMB1.4 million compared to loss before taxation of RMB4.6 million in Q1 2024 mainly due to higher revenue generated from a major subsidiary in Q2 2024.

3. Prospects for FY2024

The Group believes that 2024 will continue to be a year full of challenges and uncertainties. These include the ongoing Russia-Ukraine conflict, escalating energy costs, supply chain disruptions, and the impacts of climate change. Among these challenges, the Group believes that managing rising materials costs will be the most significant priority in the long term.



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Despite these challenges, the Group is hopeful that the food industry will continue to show promise, especially as global trade and the economy gradually recover. The easing of restrictions has already led to increased consumption, and it is expected that demand will continue to recover. Trading volume is projected to stabilize, and along with it, the margin.

To ensure sustained growth, the Group will explore new markets and opportunities to expand its revenue streams and improve its product competitiveness. Although uncertainties remain, the Group remains optimistic about its prospects and is committed to adapting to changes in the business landscape.

4. Profit forecast

The Group does not have any profit forecast or guarantee in the public documents.

5. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	RMB'000	RM'000	RMB'000	RM'000
Income tax expenses	-	-	-	-

PRC Tax

The PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate is 25% for current quarter and financial year-to-date.

Malaysia tax

The Malaysia tax of our Group for the current quarter and financial year-to-date was approximately Nil as compared to the applicable tax rate ranging from 15% to 24%.

6. Sales of unquoted investment / properties

There was no sale of unquoted investments / properties in the current financial period.

7. Purchase or disposal of quoted securities

There was no purchase or disposal of quoted securities for the current financial period.

8. Corporate proposals

There were no corporate proposals announced during the current financial period.

9. Group's borrowings and debt securities

The Group's borrowings and debt securities as of 30 June 2024 were as follows:

		RMB'000	RM'000
Short term borrowings (secured):			
Bank of Rizhao	#1	1,000	650
China Construction Bank	#2	1,200	779
Total		2,200	1,429



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9. Group's borrowings and debt securities (continued)

		RMB'000	RM'000
Long term borrowings (secured):			
Bank of Rizhao	#1	15,750	10,231
China Construction Bank	#2	20,841	13,539
Total		36,591	23,770

The bank borrowings which consist of bank loans are secured on the followings:

- (i) legal charges over the leasehold land and buildings of certain subsidiaries;
- (ii) legal charges over the land-use-rights of certain subsidiaries;
- (iii) a corporate guarantee provided by a third party;
- (iv) a jointly and severally guarantee provided by certain directors and key management personnel of certain subsidiaries.

The repayment term of the above bank borrowings are as follows:

- (a) Bank loan #1 bears fixed interest of 6% per annum. The subsidiary has reached agreement with the bank on 12 July 2024 to make quarterly repayment of RMB250,000 to the bank.
- (b) Bank loan #2 bears interest of 0%. The subsidiary has reached agreement with the bank on 10 July 2024 to make a monthly repayment of RMB100,000 to the bank.

10. Off-balance sheet financial instrument risks

There are no financial instruments with off-balance sheet risks as at the date of this report.

11. Changes in material litigation

There was no material litigation for the current financial period.

12. Realised and Unrealised Profit/Losses Disclosure

The accumulated losses as at 30 June 2024 and 31 March 2024 are analysed as below:

	Current Financial Period		Preceding Financial Period	
	RMB'000	RM'000	RMB'000	RM'000
Total accumulated losses of the Company and its subsidiary:				
- Realised	(164,076)	(106,583)	(162,656)	(106,312)
- Unrealised	-	-	-	-
Total Group accumulated losses	(164,076)	(106,583)	(162,656)	(106,312)



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13. Loss per share

Basic loss per share

	Quarter Ended <u>30 June 2024</u> RMB'000	Preceding Year Corresponding Quarter <u>30 June 2023</u> RMB'000	Year to Date Ended <u>30 June 2024</u> RMB'000	Year to Date Ended <u>30 June 2023</u> RMB'000	Quarter Ended <u>30 June 2024</u> RM'000	Preceding Year Corresponding Quarter <u>30 June 2023</u> RM'000	Year to Date Ended <u>30 June 2024</u> RM'000	Year to Date Ended <u>30 June 2023</u> RM'000
Loss attributable to - equity holders of the company	(1,420)	(3,534)	(5,996)	(12,463)	(923)	(2,306)	(3,894)	(8,045)
- Non-controlling interest	-	-	-	-	-	-	-	-
Weighted average number of ordinary share in issue ('000)	781,994	777,714	781,994	777,714	781,994	777,714	781,994	777,714
Loss per share - Basic (cents per share)	(0.18)	(0.45)	(0.77)	(1.60)	(0.12)	(0.30)	(0.50)	(1.03)

By Order of the Board

Shen Hengbao
Chief Executive Officer