The following is the text of a report on the consolidated financial statements of the Group, prepared for the purpose of incorporation in this prospectus, received from the Company's reporting accountant, Ernst & Young, Certified Public Accountants, Hong Kong.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF AUSTASIA GROUP PTE. LTD. (TO BE RENAMED AS AUSTASIA GROUP LTD. PRIOR TO THE PROPOSED LISTING), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND DBS ASIA CAPITAL LIMITED.

Introduction

We report on the historical financial information of AustAsia Group Pte. Ltd. (to be renamed as AustAsia Group Ltd. prior to the proposed listing) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-105, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2022 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2019, 2020 and 2021 and 30 June 2022 and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-105 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated [**REDACTED**] (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in Notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in Notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2019, 2020 and 2021 and 30 June 2022 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in Notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months ended June 30, 2021 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 13 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong
[**REDACTED**]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "Underlying Financial Statements").

The Historical Financial Information is presented in United States dollars and all values are rounded to the nearest thousand (USD'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December									Six months ended 30 June					
	Notes	2019			2020			2021			2021			2022		
		Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000 (unaudited)*	*USD'000 (unaudited)*	*USD'000 (unaudited)*	*USD'000*	*USD'000*	*USD'000*
CONTINUING OPERATIONS																
REVENUE	5	351,505	–	351,505	404,792	–	404,792	521,921	–	521,921	241,166	–	241,166	278,291	–	278,291
Cost of sales		(233,858)	(117,674)	(351,532)	(254,700)	(149,985)	(404,685)	(343,851)	(175,533)	(519,384)	(162,842)	(77,354)	(240,196)	(209,920)	(67,240)	(277,160)
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	22	–	108,128	108,128	–	128,253	128,253	–	153,770	153,770	–	70,352	70,352	–	65,959	65,959
Gains arising from changes in fair value less cost to sell of beef cattle	22	–	13,460	13,460	–	21,850	21,850	–	19,590	19,590	–	9,280	9,280	–	1,020	1,020
Gross profit		117,647	3,914	121,561	150,092	118	150,210	178,070	(2,173)	175,897	78,324	2,278	80,602	68,371	(261)	68,110
Other income and gains	5	4,951	–	4,951	5,930	–	5,930	13,968	–	13,968	10,098	–	10,098	4,058	–	4,058
Gains/(losses) arising from changes in fair value less costs to sell of other biological assets	22	–	(12,047)	(12,047)	–	(14,163)	(14,163)	–	(11,316)	(11,316)	–	16,727	16,727	–	1,971	1,971
Selling and distribution expenses		(4,193)	–	(4,193)	(632)	–	(632)	(540)	–	(540)	(234)	–	(234)	(158)	–	(158)
Administrative expenses		(16,394)	–	(16,394)	(24,173)	–	(24,173)	(43,028)	–	(43,028)	(17,025)	–	(17,025)	(25,283)	–	(25,283)
Impairment losses on financial assets		–	–	–	–	–	–	(4,900)	–	(4,900)	–	–	–	–	–	–
Other expenses	6	(4,716)	–	(4,716)	(3,374)	–	(3,374)	(1,440)	–	(1,440)	(563)	–	(563)	(3,384)	–	(3,384)
Finance costs	8	(14,405)	–	(14,405)	(13,605)	–	(13,605)	(21,635)	–	(21,635)	(8,711)	–	(8,711)	(14,413)	–	(14,413)

		Year ended 31 December									Six months ended 30 June					
		2019			2020			2021			2021			2022		
	Notes	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*	*USD'000*	*USD'000*	*USD'000*
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	*7*	82,890	(8,133)	74,757	114,238	(14,045)	100,193	120,495	(13,489)	107,006	61,889	19,005	80,894	29,191	1,710	30,901
Income tax expense	*11*	(127)	–	(127)	(1,114)	–	(1,114)	(2,434)	–	(2,434)	(851)	–	(851)	(1,059)	–	(1,059)
PROFIT FOR THE YEAR/PERIOD FROM CONTINUING OPERATIONS		82,763	(8,133)	74,630	113,124	(14,045)	99,079	118,061	(13,489)	104,572	61,038	19,005	80,043	28,132	1,710	29,842
DISCONTINUED OPERATION																
Loss for the year/period from a discontinued operation	*12*	(9,417)	2,354	(7,063)	(2,770)	(469)	(3,239)	–	–	–	–	–	–	–	–	–
PROFIT FOR THE YEAR/PERIOD		73,346	(5,779)	67,567	110,354	(14,514)	95,840	118,061	(13,489)	104,572	61,038	19,005	80,043	28,132	1,710	29,842
Attributable to:																
Owners of the parent		73,346	(5,779)	67,567	110,354	(14,514)	95,840	118,061	(13,489)	104,572	61,038	19,005	80,043	28,132	1,710	29,842

		Year ended 31 December									Six months ended 30 June					
	Notes	2019			2020			2021			2021			2022		
		Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*	*USD'000*	*USD'000*	*USD'000*
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*15*															
Basic																
– For profit for the year/period				USD0.20			USD0.29			USD0.31			USD0.24			USD0.09
– For profit from continuing operations				USD0.22			USD0.29			USD0.31			USD0.24			USD0.09
Diluted																
– For profit for the year/period				USD0.20			USD0.29			USD0.31			USD0.24			USD0.09
– For profit from continuing operations				USD0.22			USD0.29			USD0.31			USD0.24			USD0.09

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December									Six months ended 30 June					
		2019			2020			2021			2021			2022		
		Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*	*USD'000*	*USD'000*	*USD'000*
PROFIT FOR THE YEAR/PERIOD		73,346	(5,779)	67,567	110,354	(14,514)	95,840	118,061	(13,489)	104,572	61,038	19,005	80,043	28,132	1,710	29,842
OTHER COMPREHENSIVE INCOME/(LOSS)																
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:																
Exchange differences:																
Exchange differences on translation of foreign operations		(5,024)	–	(5,024)	34,212	–	34,212	17,238	–	17,238	6,686	–	6,686	(42,261)	–	(42,261)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		(5,024)	–	(5,024)	34,212	–	34,212	17,238	–	17,238	6,686	–	6,686	(42,261)	–	(42,261)

		Year ended 31 December									Six months ended 30 June					
	Notes	2019			2020			2021			2021			2022		
		Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000* (*unaudited*)	*USD'000* (*unaudited*)	*USD'000* (*unaudited*)	*USD'000*	*USD'000*	*USD'000*
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:																
Defined benefits plan remeasurements		117	–	117	–	–	–	–	–	–	–	–	–	–	–	–
Equity investment designated at fair value through other comprehensive income:																
Changes in fair value		(6,298)	–	(6,298)	–	–	–	(417)	–	(417)	–	–	–	–	–	–
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		(6,181)	–	(6,181)	–	–	–	(417)	–	(417)	–	–	–	–	–	–
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX		(11,205)	–	(11,205)	34,212	–	34,212	16,821	–	16,821	6,686	–	6,686	(42,261)	–	(42,261)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		62,141	(5,779)	56,362	144,566	(14,514)	130,052	134,882	(13,489)	121,393	67,724	19,005	86,729	(14,129)	1,710	(12,419)
Attributable to:																
Owners of the parent		62,141	(5,779)	56,362	144,566	(14,514)	130,052	134,882	(13,489)	121,393	67,724	19,005	86,729	(14,129)	1,710	(12,419)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 June
	Notes	**2019**	**2020**	**2021**	**2022**
		USD'000	*USD'000*	*USD'000*	*USD'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*16*	308,514	295,252	416,358	408,662
Right-of-use assets	*17(a)*	51,435	47,256	161,201	172,059
Intangible assets	*18*	2,205	809	780	631
Biological assets	*22*	361,829	386,302	477,697	497,633
Equity investment designated at fair value through other comprehensive income	*14*	1,233	1,233	816	816
Deferred tax assets	*32*	1,187	–	–	–
Other long-term assets	*19*	1,575	2,805	8,071	6,905
Long-term receivable	*20*	13,151	16,407	11,855	12,028
Derivative financial instruments	*30*	25	–	–	–
Total non-current assets		741,154	750,064	1,076,778	1,098,734
CURRENT ASSETS					
Inventories	*21*	87,845	102,464	160,665	109,210
Biological assets	*22*	24,178	33,524	49,217	62,865
Trade receivables	*23*	52,050	36,094	46,600	41,273
Prepayments, other receivables and other assets	*24*	10,694	8,354	18,727	25,899
Cash and cash equivalents	*25*	51,204	43,317	22,145	47,155
Pledged deposits	*25*	3,435	1,622	1,103	885
Total current assets		229,406	225,375	298,457	287,287
CURRENT LIABILITIES					
Trade payables	*26*	85,987	54,942	79,640	75,345
Other payables and accruals	*27*	36,729	38,515	38,410	43,018
Share appreciation liability	*28*	–	1,307	4,587	771
Loans from a shareholder	*29*	4,000	2,200	6,300	6,300
Derivative financial instruments	*30*	996	3,947	–	–
Interest-bearing bank borrowings	*31*	88,373	70,787	65,556	109,982
Lease liabilities	*17(b)*	2,791	3,869	5,451	13,749
Deferred income		385	1,475	1,596	858
Tax payable		912	688	1,077	474
Total current liabilities		220,173	177,730	202,617	250,497
NET CURRENT ASSETS		9,233	47,645	95,840	36,790
TOTAL ASSETS LESS CURRENT LIABILITIES		750,387	797,709	1,172,618	1,135,524

		As at 31 December			As at 30 June
	Notes	**2019**	**2020**	**2021**	**2022**
		USD'000	*USD'000*	*USD'000*	*USD'000*
NON-CURRENT LIABILITIES					
Interest-bearing bank borrowings	*31*	124,120	71,854	202,422	166,431
Derivative financial instruments	*30*	1,859	–	–	–
Deferred tax liabilities	*32*	3,933	–	600	600
Deferred income		2,297	2,174	3,423	3,074
Lease liabilities	*17(b)*	45,121	46,466	145,705	152,398
Other payables and accruals	*27*	3,409	–	15,036	14,270
Share appreciation liability	*28*	–	2,206	–	–
Loans from a shareholder	*29*	4,100	23,340	19,240	19,240
Total non-current liabilities		184,839	146,040	386,426	356,013
Net assets		565,548	651,669	786,192	779,511
EQUITY					
Equity attributable to owners of the parent					
Share capital	*33*	443,767	308,502	308,502	308,502
Reserves	*35*	121,781	343,167	477,690	471,009
Total equity		565,548	651,669	786,192	779,511

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2019

		Attributable to owners of the parent								
	Notes	**Share capital**	**Share option reserve**	**Statutory reserve**	**Foreign currency translation reserve**	**Fair value reserve of financial assets at fair value through other comprehensive income**	**Defined benefits plan remeasurements, net of tax**	**Merger reserve**	**Retained profits**	**Total equity**
		USD'000 *(Note 33)*	*USD'000* *(Note 34, 35)*	*USD'000* *(Note 35)*	*USD'000* *(Note 35)*	*USD'000* *(Note 35)*	*USD'000*	*USD'000* *(Note 35)*	*USD'000*	*USD'000*
At 1 January 2019		313,300	2,948	28,173	(48,340)	–	–	71,021	140,837	507,939
Profit for the year		–	–	–	–	–	–	–	67,567	67,567
Other comprehensive income/(loss) for the year:										
Defined benefits plan remeasurements, net of tax		–	–	–	–	–	117	–	–	117
Change in fair value of equity investment at fair value through other comprehensive income, net of tax		–	–	–	–	(6,298)	–	–	–	(6,298)
Exchange differences related to foreign operations		–	–	–	(5,024)	–	–	–	–	(5,024)
Total comprehensive income for the year		–	–	–	(5,024)	(6,298)	117	–	67,567	56,362
Issuance of shares to the holding company for acquisition of subsidiaries under common control		130,467	–	–	–	–	–	(130,467)	–	–
Equity-settled share option arrangements	34	–	1,247	–	–	–	–	–	–	1,247
Transfer to statutory reserve		–	–	9,131	–	–	–	–	(9,131)	–
At 31 December 2019		443,767	4,195	37,304	(53,364)	(6,298)	117	(59,446)	199,273	565,548

Year ended 31 December 2020

		Attributable to owners of the parent								
	Notes	**Share capital**	**Share option reserve**	**Statutory reserve**	**Foreign currency translation reserve**	**Fair value reserve of financial assets at fair value through other comprehensive income**	**Defined benefits plan remeasurements, net of tax**	**Merger reserve**	**Retained profits**	**Total equity**
		USD'000 (Note 33)	*USD'000 (Note 34, 35)*	*USD'000 (Note 35)*	*USD'000 (Note 35)*	*USD'000 (Note 35)*	*USD'000*	*USD'000 (Note 35)*	*USD'000*	*USD'000*
At 1 January 2020		443,767	4,195	37,304	(53,364)	(6,298)	117	(59,446)	199,273	565,548
Profit for the year		–	–	–	–	–	–	–	95,840	95,840
Other comprehensive income for the year:										
Exchange differences related to foreign operations		–	–	–	34,212	–	–	–	–	34,212
Total comprehensive income for the year		–	–	–	34,212	–	–	–	95,840	130,052
Issuance of shares to the holding company for acquisition of a subsidiary under common control and settlement of liability		40,790	–	–	–	–	–	(26,430)	–	14,360
Capital reduction for disposal of subsidiaries under common control		(71,620)	–	–	25,015	–	–	(12,483)	–	(59,088)
Capital reduction to offset against the accumulated losses		(104,435)	–	–	–	–	–	–	104,435	–
Equity-settled share option arrangements	*34*	–	797	–	–	–	–	–	–	797
Transfer from retained profits to merger reserve		–	–	–	–	–	(117)	89,950	(89,833)	–
Transfer to statutory reserve		–	–	17,069	–	–	–	–	(17,069)	–
At 31 December 2020		308,502	4,992	54,373	5,863	(6,298)	–	(8,409)	292,646	651,669

Year ended 31 December 2021

		Attributable to owners of the parent							
	Notes	**Share capital**	**Share option reserve**	**Statutory reserve**	**Foreign currency translation reserve**	**Fair value reserve of financial assets at fair value through other comprehensive income**	**Merger reserve**	**Retained profits**	**Total equity**
		USD'000 *(Note 33)*	*USD'000* *(Note 34, 35)*	*USD'000* *(Note 35)*	*USD'000* *(Note 35)*	*USD'000* *(Note 35)*	*USD'000* *(Note 35)*	*USD'000*	*USD'000*
At 1 January 2021		308,502	4,992	54,373	5,863	(6,298)	(8,409)	292,646	651,669
Profit for the year		–	–	–	–	–	–	104,572	104,572
Other comprehensive income/(loss) for the year:									
Change in fair value of equity investment at fair value through other comprehensive income, net of tax		–	–	–	–	(417)	–	–	(417)
Exchange differences related to foreign operations		–	–	–	17,238	–	–	–	17,238
Total comprehensive income for the year		–	–	–	17,238	(417)	–	104,572	121,393
Equity-settled share option arrangements	*34*	–	13,130	–	–	–	–	–	13,130
Transfer to statutory reserve		–	–	17,570	–	–	–	(17,570)	–
At 31 December 2021		308,502	18,122	71,943	23,101	(6,715)	(8,409)	379,648	786,192

Six months ended 30 June 2021

		Attributable to owners of the parent							
	Notes	Share capital	Share option reserve	Statutory reserve	Foreign currency translation reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Merger reserve	Retained profits	Total equity
		USD'000 *(Note 33)*	*USD'000* *(Note 34, 35)*	*USD'000* *(Note 35)*	*USD'000* *(Note 35)*	*USD'000* *(Note 35)*	*USD'000* *(Note 35)*	*USD'000*	*USD'000*
At 1 January 2021		308,502	4,992	54,373	5,863	(6,298)	(8,409)	292,646	651,669
Profit for the period (unaudited)		–	–	–	–	–	–	80,043	80,043
Other comprehensive income/(loss) for the period:									
Exchange differences related to foreign operations (unaudited)		–	–	–	6,686	–	–	–	6,686
Total comprehensive income for the period (unaudited)		–	–	–	6,686	–	–	80,043	86,729
Equity-settled share option arrangements (unaudited)	*34*	–	2,855	–	–	–	–	–	2,855
At 30 June 2021 (unaudited)		308,502	7,847	54,373	12,549	(6,298)	(8,409)	372,689	741,253

Six months ended 30 June 2022

		Attributable to owners of the parent							
	Notes	**Share capital**	**Share option reserve**	**Statutory reserve**	**Foreign currency translation reserve**	**Fair value reserve of financial assets at fair value through other comprehensive income**	**Merge reserve**	**Retained profits**	**Total equity**
		USD'000 *(Note 33)*	*USD'000* *(Note 34, 35)*	*USD'000* *(Note 35)*	*USD'000* *(Note 35)*	*USD'000* *(Note 35)*	*USD'000* *(Note 35)*	*USD'000*	*USD'000*
At 1 January 2022		308,502	18,122	71,943	23,101	(6,715)	(8,409)	379,648	786,192
Profit for the period		–	–	–	–	–	–	29,842	29,842
Other comprehensive income for the period:									
Exchange differences related to foreign operations		–	–	–	(42,261)	–	–	–	(42,261)
Total comprehensive income for the period		–	–	–	(42,261)	–	–	29,842	(12,419)
Equity-settled share option arrangements	*34*	–	5,738	–	–	–	–	–	5,738
At 30 June 2022		308,502	23,860	71,943	(19,160)	(6,715)	(8,409)	409,490	779,511

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2019	2020	2021	2021	2022
		USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax:		73,384	97,499	107,006	80,894	30,901
From continuing operations		74,757	100,193	107,006	80,894	30,901
From a discontinued operation	*12*	(1,373)	(2,694)	–	–	–
Adjustments for:						
Reversal of impairment of trade receivables	*23*	(71)	–	–	–	–
Impairment of long-term receivable	*20*	–	–	4,900	–	–
Gain on acquisition of a subsidiary	*36*	–	–	(7,163)	(7,163)	–
Provision for/(reversal of) allowance for inventory obsolescence		84	(15)	(5)	–	–
Amortisation of intangible assets	*18*	587	381	345	166	185
Depreciation of property, plant and equipment		20,072	16,302	18,692	8,632	10,488
Depreciation of right-of-use assets	*17*	2,472	2,221	2,828	1,143	2,069
Intangible assets written off	*18*	2	–	–	–	–
Net gain from changes in fair value of biological assets	*22*	(5,494)	(7,902)	(8,846)	(26,007)	(2,991)
Net (gain)/loss on derivative financial instruments		(458)	872	63	63	–
Finance costs	*8*	20,073	14,974	21,635	8,711	14,413
Interest income		(205)	(255)	(348)	(173)	(173)
Loss on disposal of items of property, plant and equipment		450	612	833	329	565
Provision for employee benefits		794	160	–	–	–
Share-based payments		1,403	4,914	14,205	5,811	6,864
Unrealised foreign currency loss/(gain)		8,744	(3,036)	51	51	–
Operating cash flows before changes in working capital		121,837	126,727	154,196	72,457	62,321
Increase in other long-term assets		(317)	(54)	–	–	–
Decrease/(increase) in inventories		(8,034)	(18,358)	(48,665)	26,132	42,970
Decrease/(increase) in trade receivables and prepayments, other receivables and other assets		898	(5,208)	(17,598)	(12,571)	(5,266)
(Decrease)/increase in trade payables and other payables and accruals		(1,693)	(21,455)	26,831	14,660	(2,176)
(Decrease)/increase in deferred income		(337)	739	1,271	(662)	2,510
Cash flows generated from operations		112,354	82,391	116,035	100,016	100,359
Income tax paid		(2,008)	(1,506)	(1,241)	(624)	(709)
Net cash flows from operating activities		110,346	80,885	114,794	99,392	99,650

		Year ended 31 December			Six months ended 30 June	
	Notes	**2019**	**2020**	**2021**	**2021**	**2022**
		USD'000	*USD'000*	*USD'000*	*USD'000 (unaudited)*	*USD'000*
CASH FLOWS USED IN INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(28,046)	(59,333)	(68,343)	(30,891)	(29,370)
Proceeds from disposal of items of property, plant and equipment		862	542	689	448	424
Proceeds from disposal of biological assets	*22*	63,947	75,150	92,030	44,444	43,463
Additions to intangible assets	*18*	(620)	(144)	(293)	(25)	(73)
Purchase capitalisation of biological assets		(88,591)	(97,673)	(132,745)	(68,803)	(88,587)
Disposal of subsidiaries	*12*	–	(2,304)	–	–	–
Acquisition of a subsidiary	*36*	–	–	(115,500)	(115,500)	–
Shareholder's loans to Food Union AustAsia Holdings Pte. Ltd.		–	(3,000)	–	–	–
New pledged deposits		(3,435)	(339)	(4)	(2)	(6)
Decrease in pledged deposits		–	2,152	523	495	224
Net cash flows used in investing activities		(55,883)	(84,949)	(223,643)	(169,834)	(73,925)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES						
Payments of IPO issue expenses		–	–	–	–	(289)
Loss on derivative financial instruments		–	–	(4,058)	(4,058)	–
Interest paid	*38*	(17,032)	(11,908)	(13,932)	(8,673)	(10,589)
Principal portion of lease payments	*16*	(4,516)	(4,989)	(14,379)	(5,839)	(6,528)
Repayment of interest-bearing bank borrowings		(79,611)	(122,601)	(147,432)	(66,964)	(37,254)
New interest-bearing bank borrowings		56,946	101,002	267,357	171,938	55,876
Proceeds from loans from a shareholder	*38*	4,000	31,800	–	–	–
Net cash flows from/(used in) financing activities		(40,213)	(6,696)	87,556	86,404	1,216
Net movement in cash and cash equivalents		14,250	(10,760)	(21,293)	15,962	26,941
Effect of exchange rate changes on cash and cash equivalents		(710)	2,873	121	455	(1,931)
Cash and cash equivalents at beginning of year/period		37,664	51,204	43,317	43,317	22,145
Cash and cash equivalents at end of year/period	*25*	51,204	43,317	22,145	59,734	47,155
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances		54,639	44,939	23,248	60,863	48,040
Pledged deposits	*25*	(3,435)	(1,622)	(1,103)	(1,129)	(885)
Cash and cash equivalents as stated in the statements of cash flows	*25*	51,204	43,317	22,145	59,734	47,155

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

Information about the statements of financial position of the Company at the end of each of the Relevant Periods is as follows:

		As at 31 December			As at 30 June
	Notes	**2019**	**2020**	**2021**	**2022**
		USD'000	*USD'000*	*USD'000*	*USD'000*
NON-CURRENT ASSETS					
Investments in subsidiaries		420,605	296,104	560,443	551,967
Equity investment designated at fair value through other comprehensive income	*14*	1,233	1,233	816	816
Long-term receivable	*20*	13,151	16,407	11,855	12,028
Total non-current assets		434,989	313,744	573,114	564,811
CURRENT ASSETS					
Prepayments, other receivables and other assets	*24*	4,608	2,877	34,773	25,325
Cash and cash equivalents		1,020	285	981	1,978
Total current assets		5,628	3,162	35,754	27,303
CURRENT LIABILITIES					
Other payables and accruals	*27*	92	2,280	220,100	216,453
Loans from a shareholder	*29*	4,000	2,200	6,300	6,300
Interest-bearing bank borrowings	*31*	–	–	23,532	30,256
Tax payable		24	13	5	5
Total current liabilities		4,116	4,493	249,937	253,014
NET CURRENT ASSETS/(LIABILITIES)		1,512	(1,331)	(214,183)	(225,711)
TOTAL ASSETS LESS CURRENT LIABILITIES		436,501	312,413	358,931	339,100
NON-CURRENT LIABILITIES					
Other payables and accruals	*27*	–	2,206	–	–
Interest-bearing bank borrowings	*31*	–	–	41,836	25,729
Deferred tax liabilities		–	–	600	600
Loans from a shareholder	*29*	4,100	4,100	–	–
Total non-current liabilities		4,100	6,306	42,436	26,329
Net assets		432,401	306,107	316,495	312,771
EQUITY					
Share capital	*37(A)*	443,767	308,502	308,502	308,502
Reserves	*37(A)*	(11,366)	(2,395)	7,993	4,269
Total equity		432,401	306,107	316,495	312,771

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. Corporate and Group Information

AustAsia Group Pte. Ltd. (to be renamed as AustAsia Group Ltd. prior to the proposed listing) (the "Company") is a limited liability company incorporated and domiciled in Singapore. The registered office and the principal place of business of the Company is located at 391B Orchard Road, Singapore 238874. The principal activity of the Company is investment holding and its subsidiaries are mainly engaged in the production and sales of raw milk, sales of beef cattle and sales of milk products in the People's Republic of China ("PRC").

In the opinion of the directors, the immediate holding company of the Company is Japfa Ltd, a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited, and the ultimate holding companies of the Company are Rangi Management Limited and Fusion Investment Holdings Limited, both of which are incorporated and domiciled in the British Virgin Islands.

Information about subsidiaries

As at the date of the report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Dongying AustAsia Modern Dairy Farm Co., Ltd *(Note (a))*	Shandong, PRC	USD35,000,000	–	100	Production and sales of raw milk
Taian AustAsia Modern Dairy Farm Co., Ltd *(Note (a))*	Shandong, PRC	USD30,000,000	–	100	Production and sales of raw milk
Dongying Xianhe AustAsia Modern Dairy Farm Co., Ltd *(Note (a))*	Shandong, PRC	USD25,000,000	–	100	Production and sales of raw milk
Dongying Shenzhou AustAsia Modern Dairy Farm Co., Ltd *(Note (a))*	Shandong, PRC	USD40,000,000	–	100	Production and sales of raw milk
Dongying AustAsia Beef Co., Ltd *(Note (a))*	Shandong, PRC	USD26,430,000	–	100	Production and sales of beef cattle
Shanghai AustAsia Food Co., Ltd *(Note (a))*	Shanghai, PRC	USD3,000,000	–	100	Trading, wholesale and distribution of milk products

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
AIH2 Pte Ltd *(Note (b))*	Singapore	USD127,927,000	100	–	Investment holding
Chifeng AustAsia Modern Dairy Farm Co., Ltd *(Note (a))*	Inner Mongolia, PRC	USD85,600,000	–	100	Production and sales of raw milk
Falcon Dairy Holdings Limited *(Note (d))*	Hong Kong	USD240,100,000	100	–	Investment holding
Pure Source Dairy Farm Co., Ltd *(Note (c))*	Shandong, PRC	USD187,000,000	–	100	Production and sales of raw milk
Shandong AustAsia Feed Technology Co., Ltd. *(Note (c))*	Shandong, PRC	USD12,000,000	–	100	Production and sales of feeding additives

The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies as no English names have been registered.

Notes:

(a) The statutory financial statements of these entities for the years ended 31 December 2019, 2020 and 2021 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Ernst & Young Hua Ming LLP Dalian Branch, certified public accountants registered in the PRC.

(b) The statutory financial statements of this entity for the years ended 31 December 2019, 2020 and 2021 prepared under Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards ("FRSs") were audited by Ernst & Young LLP, Singapore.

(c) The statutory financial statements of these entities for the year ended 31 December 2021 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Ernst & Young Hua Ming LLP Dalian Branch, certified public accountants registered in the PRC.

(d) The statutory financial statements of this entity for the year ended 31 December 2021 prepared under Hong Kong Financial Reporting Standards ("HKFRS") were audited by Ernst & Young, Hong Kong.

2.1 Basis of Presentation

In December 2018, the Company entered into a share purchase agreement with Japfa Ltd, its immediate holding company, to acquire 100% equity interests of AIH2 Pte Ltd ("AIH2") for an aggregate consideration of USD130,467,484 settled by the issuance of 88,864,820 new ordinary shares. AIH2 was set up by Black River Capital Partners Fund (Food) LP and Japfa Ltd with a capital injection of USD56,258,791 in 2014, which is principally engaged in investing its subsidiary Chifeng AustAsia Modern Dairy Farm Co., Ltd, which is engaged in the production and sales of raw milk. The acquisition of AIH2 was made as part of the Group's strategy to support its business. The acquisition was consummated in January 2019.

In April 2020, the Company entered into a share purchase agreement with Japfa China Investments Pte Ltd, a subsidiary fully controlled by Japfa Ltd to acquire 100% equity interests of Dongying AustAsia Beef Co., Ltd ("DYAB") at an aggregate consideration of USD26,430,000 settled by the issuance of 18,878,573 new ordinary shares. DYAB was set up by Japfa China Investments Pte Ltd with a capital injection of USD10,000,000 in 2013, which is principally engaged in raising and selling beef cattle. The acquisition of DYAB was made as part of the Group's strategy to support its business. The acquisition was consummated in April 2020.

Since the Group, AIH2 and DYAB are under common control of Japfa Ltd, the Group's acquisitions of AIH2 and DYAB had been accounted for as a combination of entities under common control with the pooling of interest method applied as if such acquisition had been completed at the date when the Group, AIH2 and DYAB became under the common control of the ultimate holding company. The assets and liabilities of AIH2 and DYAB were included using the existing book values from the ultimate holding company's perspective. No adjustments were made to reflect the fair value or recognize any new assets or liabilities as a result of such acquisitions. The results and cash flows of AIH2 and DYAB were included since the date when AIH2, DYAB and the Group became under common control of the ultimate holding company. The contribution from the ultimate holding company to AIH2 and DYAB and the consideration paid for the acquisitions of AIH2 and DYAB were accounted for as an equity transaction in the merger reserve in the consolidated statements of changes in equity.

All intra-group transactions and balances have been eliminated on consolidation.

2.2 Basis of Preparation

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB").

All IFRSs effective for the accounting period commencing from 1 January 2022, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for derivative financial instruments, biological assets and equity investment designated at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in United States Dollars ("USD") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the years ended 31 December 2019, 2020 and 2021, and the six months ended 30 June 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Issued But Not Yet Effective International Financial Reporting Standards

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in this Historical Financial Information.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
IFRS 17	*Insurance Contracts*[1]
Amendments to IFRS 17	*Insurance Contracts*[1, 3]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[1]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to IAS 8	*Definition of Accounting Estimates*[1]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]
Amendment to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*[1]

1 Effective for annual periods beginning on or after 1 January 2023

2 No mandatory effective date yet determined but available for adoption

3 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

Except as described below, other standards are not applicable to the Group's financial performance and consolidated financial position and/or on the disclosure in future consolidated financial statements.

Amendments to IAS 12 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 Summary of Significant Accounting Policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

Fair value measurement

The Group measures its derivative financial instruments, biological assets and equity investment designated at fair value through other comprehensive income at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and biological assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the assets or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss and other comprehensive income in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss and other comprehensive income in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss and other comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings and site facilities	4.5%-5%
Machinery and equipment	9%-10%
Office furniture and fixtures	18%-20%
Motor vehicles	18%-20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss and other comprehensive income in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Trademarks

The trademarks are stated at cost and are amortised on a straight-line basis over their finite useful life of 10 years. The useful life of trademarks was determined by the management's best estimate with reference to the expiry dates of trademarks.

Software

Software was acquired separately and is amortised on a straight-line basis over its finite useful lives of 5 years.

Biological assets

Biological assets are measured on initial recognition and at the end of the reporting period at their fair value less costs to sell, with any resultant gain or loss recognised in profit or loss for the period in which it arises. Biological assets comprise dairy cows, beef cattle and forage plants.

Dairy cows and beef cattle

Dairy cows, including milkable cows, heifers and calves, and beef cattle, are measured on initial recognition and at the end of each reporting period at their fair value less costs to sell, with any resultant gain or loss recognised in the consolidated statement of profit or loss for the period in which it arises. Costs to sell are the incremental costs directly attributable to the disposal of an asset, mainly transportation costs and excluding finance costs and income taxes.

The fair value is determined based on their present location and condition and is determined independently by professional valuers. The fair value of heifers and calves and beef cattle for which there are active markets is determined by reference to the quoted market prices. For milkable cows for which there is no active market, fair value is determined by valuation techniques, for example discounted cash flow techniques, etc.

The feeding costs and other related costs including the depreciation charge, utility costs and consumables incurred for the raising of heifers and calves are capitalised, until such time as the heifers and calves begin to produce milk.

Forage plants

The immature corn and sorghum plantation costs consist of field preparation, planting, fertilising and maintenance and an allocation of other related cost. In general, a corn plantation and a sorghum plantation take about six months to reach maturity from the time the seedings are planted.

Plantations in initial stages of growth are stated at cost as market-determined prices or values are not available.

Plantations close to harvest and the harvested product of the Group's wet corn and sorghum are measured at fair value less estimated point-of sale costs. The fair value was determined based on the actual selling prices in the local market at the point of harvest less estimated point-of sale costs.

Gains or losses arising on initial recognition of plantations at fair value less estimated point-of-sale costs and the change in fair value less costs to sell of plantations at each reporting date are included in the statement of profit or loss for the period in which they arise.

Upon harvest, the forage plants are transferred to inventories for feeding the dairy cows and beef cattle.

Agricultural produce

Agricultural produce represents raw milk harvested from the Group's biological assets. Raw milk is recognised at the point of harvest at its fair value less costs to sell. A gain or loss arising from agricultural produce at the point of harvest measuring at fair value less costs to sell is included in profit or loss for the period in which it arises.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	3 to 50 years
Buildings and site facilities	2 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investment)

Upon initial recognition, the Group can elect to classify irrevocably its equity investment as equity investment designated at fair value through other comprehensive income when they meet the definition of equity under *IAS 32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss and other comprehensive income. Dividends are recognised as other income in the statement of profit or loss and other comprehensive income when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investment designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss and other comprehensive income.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and accruals, derivative financial instruments and interest-bearing bank and other borrowings.

Subsequent measurement

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss and other comprehensive income.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss and other comprehensive income.

Current versus non-current classification

Derivative instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows). Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.

Inventories

Inventories mainly include raw materials, low-value consumables and finished goods. Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within six months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss and other comprehensive income.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss and other comprehensive income over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss and other comprehensive income by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sales of raw milk

Revenue from these sales is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

(b) Sales of beef cattle

Revenue from sales of beef cattle is recognised when the beef cattle are collected by customers.

(c) Sales of milk products

The Group sells milk products to distributors and end customers (collectively as "customers"). Revenue from sales of these products is recognised when the goods have been delivered to customers.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Share-based payments

The Company operates several share-based incentive plans for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions") and cash ("cash-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in Note 34 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss and other comprehensive income for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The cost of cash-settled transactions is measured initially at fair value at the grant date, taking into account the terms and conditions upon which the instruments were granted, further details of which are given in Note 34 to the Historical Financial Information. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The cumulative expense recognised for cash-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest. The liability is measured at the end of each reporting period up to and including the settlement date, with changes in fair value recognised in the statement of profit or loss and other comprehensive income.

Other employee benefits

Pension schemes

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentages of their payroll costs to the central pension scheme. The Singapore, Malaysia and Hong Kong companies in the Group make contributions to the Central Provident Fund scheme in Singapore, the Employee Provident Fund in Malaysia and the Hong Kong Mandatory Provident Funds Schemes in Hong Kong respectively, a defined contribution pension scheme.

The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme, and contributions paid to the defined contribution pension scheme for an employee are not available to reduce the Group's future obligations to such defined contribution pension plans even if the employee leaves.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Indonesia defined benefit plans

A subsidiary in Indonesia provides post employment benefits in accordance with Indonesia Law No. 13/2003 dated 25 March 2003. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Defined benefit costs comprise the following:

– Service cost

– Net interest expense or income

– Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses or non-routine settlements are recognised as expenses in the statement of profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Past service costs are recognised in profit or loss at the earlier of:

– the date of the plan amendment or curtailment; and

– the date that the Group recognises restructuring-related costs

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expenses or income in the statement of profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained profits within equity and are not reclassified to profit or loss in subsequent periods.

Remeasurements arising from defined benefit pension plans, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. No dividends were made to shareholders during the Relevant Periods.

Foreign currencies

These financial statements are presented in USD, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the USD. As at the end of the reporting period, the assets and liabilities of these entities are translated into USD at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into USD at the average exchange rates for the period during which the transactions occur.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Estimation of fair value of dairy cows and beef cattle

The Group's dairy cows and beef cattle are measured at fair value less costs to sell. The fair value of dairy cows and beef cattle is determined based on either the market-determined prices as at the end of each reporting period adjusted with reference to the species, age, growing condition, cost incurred and expected yield of the milk to reflect differences in characteristics and/or stages of growth of dairy cows; or the present value of expected net cash flows from the dairy cows and beef cattle discounted at a current market-determined rate, when market-determined prices are unavailable. Any changes in the estimates may affect the fair value of the dairy cows and beef cattle significantly. The independent qualified professional valuer and management review the assumptions and estimates periodically to identify any significant change in fair value of dairy cows and beef cattle. Further details are given in Note 22 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of unlisted equity investment

The unlisted equity investment has been valued based on a market-based valuation technique as detailed in Note 44 to the Historical Financial Information. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of the investment as Level 3. The fair values of the unlisted equity investment were USD1,233,000, USD1,233,000, USD816,000 and USD816,000 at 31 December 2019, 2020 and 2021 and 30 June 2022, respectively. Further details are included in Note 14 to the Historical Financial Information.

4. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows: (1) Raw milk business for the production and sales of raw milk (2) Beef cattle business for raising and sales of beef cattle; and (3) Ancillary business for sales of milk products and others.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax from continuing operations is measured consistently with the Group's profit before tax from continuing operations except that other income and expenses, non-lease-related finance costs from the Group's financial instruments as well as head office or corporate administrative expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2019

	Raw milk	Beef cattle	Ancillary	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
Segment revenue *(Note 5)*				
Sales to external customers	315,586	22,236	13,683	351,505
Intersegment sales	7,565	–	–	7,565
	323,151	22,236	13,683	359,070
Elimination of intersegment sales				(7,565)
Revenue from continuing operations				351,505
Segment results	93,816	12,472	(4,231)	102,057
Finance costs (other than interest on lease liabilities)				(11,231)
Unallocated corporate and administrative expenses				(16,304)
Unallocated other income and expenses				235
Profit before tax from continuing operations				74,757

Year ended 31 December 2020

	Raw milk	Beef cattle	Ancillary	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
Segment revenue *(Note 5)*				
Sales to external customers	349,834	43,003	11,955	404,792
Intersegment sales	7,423	–	–	7,423
	357,257	43,003	11,955	412,215
Elimination of intersegment sales				(7,423)
Revenue from continuing operations				404,792
Segment results	111,929	20,850	(507)	132,272
Finance costs (other than interest on lease liabilities)				(10,429)
Unallocated corporate and administrative expenses				(24,206)
Unallocated other income and expenses				2,556
Profit before tax from continuing operations				100,193

Year ended 31 December 2021

	Raw milk	Beef cattle	Ancillary	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
Segment revenue *(Note 5)*				
Sales to external customers	438,038	50,500	33,383	521,921
Intersegment sales	21,295	–	–	21,295
	459,333	50,500	33,383	543,216
Elimination of intersegment sales				(21,295)
Revenue from continuing operations				521,921
Segment results	137,574	18,370	2,001	157,945
Finance costs (other than interest on lease liabilities)				(15,534)
Unallocated corporate and administrative expenses				(47,933)
Unallocated other income and expenses				12,528
Profit before tax from continuing operations				107,006

Six months ended 30 June 2021

	Raw milk	Beef cattle	Ancillary	Total
	USD'000 *(unaudited)*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*
Segment revenue *(Note 5)*				
Sales to external customers	202,982	24,612	13,572	241,166
Intersegment sales	9,462	–	–	9,462
	212,444	24,612	13,572	250,628
Elimination of intersegment sales				(9,462)
Revenue from continuing operations				241,166
Segment results	85,601	8,921	735	95,257
Finance costs (other than interest on lease liabilities)				(6,873)
Unallocated corporate and administrative expenses				(17,025)
Unallocated other income and expenses				9,535
Profit before tax from continuing operations				80,894

Six months ended 30 June 2022

	Raw milk	Beef cattle	Ancillary	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
Segment revenue *(Note 5)*				
Sales to external customers	242,302	25,037	10,952	278,291
Intersegment sales	5,789	–	–	5,789
	248,091	25,037	10,952	284,080
Elimination of intersegment sales				(5,789)
Revenue from continuing operations				278,291
Segment results	63,996	657	973	65,626
Finance costs (other than interest on lease liabilities)				(10,116)
Unallocated corporate and administrative expenses				(25,283)
Unallocated other income and expenses				674
Profit before tax from continuing operations				30,901

Segment assets and liabilities

The chief operating decision maker makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the chief operating decision maker does not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Other segment information

Year ended 31 December 2019

	Raw milk	Beef cattle	Ancillary	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
Amounts included in the measure of segment results:				
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	108,128	–	–	108,128
Gains arising from changes in fair value less cost to sell of beef cattle	–	13,460	–	13,460
Losses arising from changes in fair value less costs to sell of other biological assets	11,715	332	–	12,047
Depreciation and amortisation charged to profit or loss	14,213	1,243	100	15,556
Impairment loss on inventories	74	–	16	90
Interest on lease liabilities	2,516	656	2	3,174
Selling and distribution expenses	7	–	4,186	4,193
Capital expenditure	87,433	21,917	6	109,356

Year ended 31 December 2020

	Raw milk	**Beef cattle**	**Ancillary**	**Total**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Amounts included in the measure of segment results:				
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	128,253	–	–	128,253
Gains arising from changes in fair value less cost to sell of beef cattle	–	21,850	–	21,850
Losses arising from changes in fair value less costs to sell of other biological assets	13,839	324	–	14,163
Depreciation and amortisation charged to profit or loss	15,065	1,865	100	17,030
Reversal of impairment on inventories	17	–	16	33
Interest on lease liabilities	2,498	676	2	3,176
Selling and distribution expenses	4	–	628	632
Capital expenditure	152,415	22,920	107	175,442

Year ended 31 December 2021

	Raw milk	**Beef cattle**	**Ancillary**	**Total**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Amounts included in the measure of segment results:				
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	153,770	–	–	153,770
Gains arising from changes in fair value less cost to sell of beef cattle	–	19,590	–	19,590
Losses arising from changes in fair value less costs to sell of other biological assets	10,829	487	–	11,316
Impairment loss on other receivables, net	–	–	4,900	4,900
Depreciation and amortisation charged to profit or loss	19,636	2,036	193	21,865
Reversal of impairment on inventories	–	–	5	5
Interest on lease liabilities	5,366	733	2	6,101
Selling and distribution expenses	1	–	539	540
Capital expenditure	402,673	41,966	2,253	446,892

Six months ended 30 June 2021

	Raw milk	**Beef cattle**	**Ancillary**	**Total**
	USD'000 *(unaudited)*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*
Amounts included in the measure of segment results:				
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	70,352	–	–	70,352
Gains arising from changes in fair value less cost to sell of beef cattle	–	9,280	–	9,280
Gains arising from changes in fair value less costs to sell of other biological assets	16,727	–	–	16,727
Depreciation and amortisation charged to profit or loss	8,869	1,016	56	9,941
Interest on lease liabilities	1,478	359	1	1,838
Selling and distribution expenses	–	–	234	234
Capital expenditure	294,284	27,308	1	321,593

Six months ended 30 June 2022

	Raw milk	**Beef cattle**	**Ancillary**	**Total**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Amounts included in the measure of segment results:				
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	65,959	–	–	65,959
Gains arising from changes in fair value less cost to sell of beef cattle	–	1,020	–	1,020
Gains arising from changes in fair value less costs to sell of other biological assets	1,971	–	–	1,971
Depreciation and amortisation charged to profit or loss	11,267	1,393	82	12,742
Interest on lease liabilities	3,934	363	–	4,297
Selling and distribution expenses	–	–	158	158
Capital expenditure	125,340	29,004	5,946	160,290

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Mainland China	351,505	404,792	521,921	241,166	278,291

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000*
Mainland China	612,220	732,424	1,064,107	1,085,890
Indonesia	112,389	–	–	–
Other countries/regions	949	–	–	–
	725,558	732,424	1,064,107	1,085,890

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

The breakdown of major customers with revenue transactions of over 10% of the Group's revenue from continuing operations during the Relevant Periods is as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Customer A	193,012	95,599	N/A*	N/A*	N/A*
Customer B	35,458	96,450	110,919	49,730	49,725
Customer C	N/A*	51,136	142,762	70,442	65,700
Customer D	N/A*	N/A*	N/A*	N/A*	32,410
	228,470	243,185	253,681	120,172	147,835

* The corresponding revenue did not contribute over 10% of the Group's revenue from continuing operations during the Relevant Periods.

5. Revenue, Other Income and Gains

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Revenue from contracts with customers					
Sales of raw milk	315,586	349,834	438,038	202,982	242,302
Sales of beef cattle	22,236	43,003	50,500	24,612	25,037
Sales of milk products	13,683	11,955	33,383	13,572	10,952
	351,505	404,792	521,921	241,166	278,291
Timing of revenue recognition					
At a point in time	351,505	404,792	521,921	241,166	278,291

Performance obligations

The Group sells raw milk to dairy product manufacturers, beef cattle to food processing companies and milk products to cafes and other end customers, etc. For sales of raw milk and milk products to its customers, revenue is recognised when control of the goods has been transferred, being at the point the customer received the goods and accepted the quality. For sales of beef cattle to its customers, revenue is recognised upon the acceptance by customers. Payment of the transaction price is determined based on market price. The credit term is normally 30 days upon the invoice date for raw milk customers and 30 to 45 days upon the invoice date for milk products customers, and no credit is provided for beef cattle customers.

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Other income and gains					
Gain from bargain purchase *(Note 36)*	–	–	7,163	7,163	–
Government grants	2,541	2,491	2,847	1,327	1,998
Insurance claims	1,504	2,848	1,596	656	761
Foreign exchange gain, net *(Note 7)*	–	–	822	182	–
Technical service fee	–	–	776	387	633
Fair value gains on derivative financial instruments	458	–	–	–	–
Interest income	337	472	611	320	249
Scrap sales	83	78	97	55	64
Others	28	41	56	8	353
Total	4,951	5,930	13,968	10,098	4,058

Transaction price allocated to the remaining performance obligation

In most of sales contracts, the amount of consideration that the Group has a right to invoice corresponds directly with the value to the customer of each incremental good that the Group transfers to the customer. As permitted by IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

6. Other Expenses

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Foreign exchange losses, net *(Note 7)*	3,865	1,606	–	–	2,142
Fair value losses on derivative financial instruments	–	872	63	63	–
Loss on disposal of property, plant and equipment	426	621	833	329	565
Loss from scrap sale	207	113	230	50	280
Others	218	162	314	121	397
Total	4,716	3,374	1,440	563	3,384

7. Profit Before Tax

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

		Year ended 31 December			Six months ended 30 June	
	Note	**2019**	**2020**	**2021**	**2021**	**2022**
		USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Costs of sales of raw milk		315,586	349,834	438,038	202,982	242,302
Costs of sales of beef cattle		22,236	43,003	50,500	24,612	25,037
Costs of sales of milk products		13,710	11,848	30,846	12,602	9,821
Cost of sales		351,532	404,685	519,384	240,196	277,160
Depreciation of property, plant and equipment		23,723	25,092	33,406	15,205	18,916
Less: Capitalised in biological assets		10,441	10,493	14,714	6,573	8,428

		Year ended 31 December			Six months ended 30 June	
	Note	**2019**	**2020**	**2021**	**2021**	**2022**
		USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Depreciation charged to profit or loss		13,282	14,599	18,692	8,632	10,488
Depreciation of right-of-use assets		3,230	3,562	8,299	3,089	6,412
Less: Capitalised in biological assets		1,281	1,442	5,471	1,946	4,343
Depreciation charged to profit or loss		1,949	2,120	2,828	1,143	2,069
Amortisation of intangible assets		325	311	345	166	185
Lease payments not included in the measurement of lease liabilities		1,754	1,550	1,733	1,453	1,933
Auditors' remuneration		379	397	750	375	783
Losses/(gains) arising from changes in fair value less costs to sell of other biological assets	*22*	12,047	14,163	11,316	(16,727)	(1,971)
Employee benefit expenses (including directors and chief executive's remuneration):						
Wages and salaries		23,236	21,420	33,357	14,929	17,566
Pension scheme contributions		5,210	3,687	8,016	3,616	4,021
Share-based payment expenses		897	4,927	16,037	5,811	6,864
		29,343	30,034	57,410	24,356	28,451
Foreign exchange differences, net		3,865	1,606	(822)	(182)	2,142

8. Finance Costs

An analysis of finance costs from continuing operations is as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Interest on bank loans	10,879	9,159	13,384	5,778	9,183
Interest on shareholder's loans	329	926	1,447	700	615
Interest on lease liabilities	3,174	3,176	6,101	1,838	4,297
Interest on contract liabilities	23	344	703	395	318
	14,405	13,605	21,635	8,711	14,413

9. Directors' and Chief Executive's Remuneration

The remuneration of the Company's directors and chief executive during the Relevant Periods is as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Fees	–	–	–	–	–
Other emoluments:					
Salaries, pension scheme contributions, housing benefits, other allowances and benefits in kind	588	1,553	2,187	882	1,238
Performance related bonus	247	429	612	–	–
Share-based payment expenses	143	3,692	15,026	3,979	6,332
	978	5,674	17,825	4,861	7,570

During the Relevant Periods, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in Note 34 to the Historical Financial Information. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive director

The fees paid to independent non-executive director during the Relevant Periods were as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Chang Pan, Peter*	–	–	–	–	–
	–	–	–	–	–

* Chang Pan, Peter was appointed on 5 August 2020.

There were no other emoluments payable to the independent non-executive director during the Relevant Periods.

(b) Executive directors and the chief executive

2019

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Share-based payment expenses	Pension scheme contributions	Total remuneration
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Executive directors:						
Handojo Santosa @KangKiemHan*	–	–	–	–	–	–
Tan Yong Nang	–	–	–	–	–	–
Edgar Dowse Collins	–	588	247	143	–	978
Non-executive director:						
Nil	–	–	–	–	–	–
	–	588	247	143	–	978

* Handojo Santosa @KangKiemHan resigned on 5 August 2020.

2020

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Share-based payment expenses	Pension scheme contributions	Total remuneration
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Executive directors:						
Tan Yong Nang	–	620	–	1,579	–	2,199
Edgar Dowse Collins	–	585	182	1,480	–	2,247
Yang Ku*	–	348	247	633	–	1,228
Non-executive director:						
Hirata Toshiyuki*	–	–	–	–	–	–
	–	1,553	429	3,692	–	5,674

* Yang Ku was appointed on 5 August 2020.

* Hirata Toshiyuki was appointed on 3 July 2020.

2021

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Share-based payment expenses	Pension scheme contributions	Total remuneration
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Executive directors:						
Tan Yong Nang	–	820	–	6,893	–	7,713
Edgar Dowse Collins	–	637	346	5,827	–	6,810
Yang Ku	–	398	266	2,306	–	2,970
Gao Lina*	–	332	–	–	–	332
Non-executive director:						
Hirata Toshiyuki	–	–	–	–	–	–
	–	2,187	612	15,026	–	17,825

* Gao Lina was appointed on 22 December 2021.

Six months ended 30 June 2021

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Share-based payment expenses	Pension scheme contributions	Total remuneration
	USD'000 *(unaudited)*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*	*USD'000* *(unaudited)*
Executive directors:						
Tan Yong Nang	–	378	–	1,624	–	2,002
Edgar Dowse Collins	–	305	–	1,630	–	1,935
Yang Ku	–	199	–	725	–	924
Non-executive director:						
Hirata Toshiyuki	–	–	–	–	–	–
	–	882	–	3,979	–	4,861

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

Six months ended 30 June 2022

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Share-based payment expenses	Pension scheme contributions	Total remuneration
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Executive directors:						
Tan Yong Nang	–	368	–	2,832	–	3,200
Edgar Dowse Collins	–	305	–	2,469	–	2,774
Yang Ku	–	211	–	1,012	–	1,223
Gao Lina	–	354	–	19	–	373
Non-executive director:						
Hirata Toshiyuki	–	–	–	–	–	–
	–	1,238	–	6,332	–	7,570

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

10. Five Highest Paid Employees

The five highest paid employees of the Group included 1, 3, 4, 3 and 3 directors for the years ended 31 December 2019, 2020 and 2021 and six months ended 30 June 2021 and 2022, respectively, whose emoluments are included in the disclosure above. The emoluments of the remaining 4, 2, 1, 2 and 2 individuals for the Relevant Periods, respectively, are as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Salaries, allowances and benefits in kind	1,192	542	328	243	402
Performance related bonus	376	157	63	–	–
Share-based payment expenses	90	63	–	91	59
	1,658	762	391	334	461

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees				
	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
				(unaudited)	
Nil to USD1,000,000	4	2	1	2	2
USD1,000,001 to USD1,500,000	–	–	–	–	–
USD1,500,001 to USD2,000,000	–	–	–	–	–
	4	2	1	2	2

During the Relevant Periods, share options were granted to the highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in Note 34 to the Historical Financial Information. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above disclosures.

11. Income Tax

	Notes	Year ended 31 December			Six months ended 30 June	
		2019	2020	2021	2021	2022
		USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Current income tax charge for the year		85	39	37	23	123
Overprovision in prior years		–	(12)	(10)	(10)	2
Foreign withholding tax	*(b)*	42	1,087	1,807	838	934
Deferred income tax *(Note 32)*	*(a)*	–	–	600	–	–
Total tax charge for the year from continuing operations		127	1,114	2,434	851	1,059
Total tax charge for the year from a discontinued operation		5,690	545	–	–	–
		5,817	1,659	2,434	851	1,059

A reconciliation of the tax expense applicable to profit before tax using the statutory rates to the tax expenses per the consolidated statements of profit or loss at the effective tax rate is as follows:

	Notes	Year ended 31 December			Six months ended 30 June	
		2019	2020	2021	2021	2022
		USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Profit before tax		73,384	97,499	107,006	80,894	30,901
Tax at the statutory rates to profits in countries where the company operates	*(c)*	17,918	24,955	27,022	19,788	6,858
Income not subject to tax	*(d)*	(18,573)	(25,501)	(31,228)	(20,567)	(9,311)
Non-deductible expenses		856	154	4,435	832	2,650
Tax losses utilised from previous periods		–	–	(192)	(30)	(104)
Tax losses not recognised		3,905	558	–	–	30
Overprovision of taxation in prior years		–	(12)	(10)	(10)	2
Deferred income tax	*(a)*	–	–	600	–	–
Foreign withholding tax	*(b)*	1,711	1,505	1,807	838	934
		5,817	1,659	2,434	851	1,059

Notes:

(a) During the year ended 31 December 2021, the Group recognized withholding tax of USD600,000 in relation to the dividends declared by its subsidiaries in Mainland China at a tax rate of 5%.

(b) Foreign withholding tax mainly represents the withholding enterprise income tax when the subsidiaries in Mainland China paid the royalty fees to the Company and the withholding enterprise income tax rate is 10% during the Relevant Periods.

(c) The tax charge represents income tax in Mainland China, Singapore, Hong Kong, Malaysia and Indonesia, which is calculated at the prevailing tax rate on the taxable income of the subsidiaries established in these countries and regions. The statutory tax rates are as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
Singapore	17%	17%	17%	17%	17%
Hong Kong	16.5%	16.5%	16.5%	16.5%	16.5%
Malaysia	24%	24%	NA	NA	NA
Indonesia	25%	25%	NA	NA	NA
Mainland China	25%	25%	25%	25%	25%

(d) The PRC subsidiaries are subject to the law of the PRC Enterprise Income Tax (the "EIT Law") at 25% for the Relevant Periods. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. According to the prevailing tax rules and regulation of the EIT Law, certain subsidiaries of the Group in the PRC are exempted from enterprise income tax for taxable profit from the operation of agricultural business in the PRC for the Relevant Periods.

12. Discontinued Operation

On 2 April 2020, the Group restructured its dairy business by disposing of the entire interest in its South East Asia business (collectively as "GDS") to its holding company, Japfa Ltd. GDS includes the following entities:

(a) PT Greenfield Indonesia

(b) PT AustAsia Food

(c) AustAsia Food Pte Ltd

(d) AustAsia Food (M) Sdn Bhd

(e) AustAsia Food HK Limited

During the Relevant Periods, GDS was classified as a discontinued operation and the business is not included in the note for operating segment information. The consideration amounting to USD71,620,000 was settled via capital reduction in the Company's share capital during the year of 2020 as further detailed in Note 33 to the Historical Financial Information and this transaction was accounted for as a distribution to the holding company.

The results of GDS for the year ended 31 December 2019 and the period from 1 January 2020 to the date of disposal are presented below:

	2019	Period from 1 January 2020 to 2 April 2020
	USD'000	*USD'000*
DISCONTINUED OPERATION		
REVENUE	93,093	24,599
Cost of sales	(65,479)	(15,582)
Gross profit	27,614	9,017
Other income and gains	1,332	11
Gains/(losses) arising from changes in fair value less costs to sell of biological assets	2,354	(469)
Selling and distribution expenses	(17,941)	(4,509)
Administrative expenses	(8,966)	(2,232)
Other expenses	(98)	(3,143)
Finance costs	(5,668)	(1,369)
LOSS BEFORE TAX FROM THE DISCONTINUED OPERATION	(1,373)	(2,694)
Income tax expense	(5,690)	(545)
LOSS FOR THE YEAR/PERIOD FROM THE DISCONTINUED OPERATION	(7,063)	(3,239)

The major classes of assets and liabilities of GDS as at the date of disposal are as follows:

	Note	**2 April 2020**
		USD'000
Net assets of disposed subsidiaries:		
Property, plant and equipment		59,341
Cash and bank balances		2,304
Trade receivables		19,226
Right-of-use assets		7,584
Intangible assets		1,209
Biological assets		27,436
Deferred tax assets		301
Inventories		10,626
Prepayments, other receivables and other assets		6,286
Other long-term assets		1,421
Loans to subsidiaries		24,950
Trade payables		(6,253)
Other payables and accruals		(44,197)
Interest-bearing bank borrowings		(47,090)
Lease liabilities		(103)
Tax payable		(687)
Deferred tax liabilities		(2,660)
Net assets of the disposed subsidiaries		59,694
Foreign currency translation reserve		25,015
Share-based payment reserve		(606)
Loss on the disposal	*35(c)_iii*	(12,483)
Consideration		71,620
Satisfied by: Reduction of share capital		(71,620)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of GDS is as follows:

	2 April 2020
	USD'000
Cash consideration	–
Cash and bank balances of disposed subsidiaries	(2,304)
Net outflow of cash and cash equivalents in respect of the disposal	(2,304)

The net cash flow incurred by GDS for the year ended 31 December 2019 and the period from 1 January 2020 to the date of disposal was as follows:

	2019	Period from 1 January 2020 to 2 April 2020
	USD'000	*USD'000*
Operating activities	(1,381)	(759)
Investing activities	(13,339)	(3,437)
Financing activities	3,793	1,226
Net cash flow	(10,928)	(2,971)

The loss per share amounts attributable to ordinary equity holders of the parent by GDS for the year ended 31 December 2019 and the period from 1 January 2020 to the date of disposal were as follows:

	2019	Period from 1 January 2020 to 2 April 2020
Basic/diluted, for loss from a discontinued operation	(0.02)	(0.00)

13. Dividends

No dividends have been paid by the Company in respect of the Relevant Periods.

14. Equity Investment Designated at Fair Value through Other Comprehensive Income

Group and Company

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000*
Equity investment designated at fair value through other comprehensive income				
Unlisted equity investment, at fair value				
Food Union AustAsia Holdings Pte. Ltd.	1,233	1,233	816	816

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group has no significant influence on the investee.

15. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share is based on the profit for the year/period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 336,111,964, 336,111,964, 336,111,968, 336,111,968 and 336,111,968 in issue during the years of 2019, 2020 and 2021 and the six months ended 30 June 2021 and 2022, respectively, as adjusted to reflect the rights issue during the year/period.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Earnings					
Profit/(loss) attributable to ordinary equity holders of the parent used in the basic earnings per share calculation					
From continuing operations	74,630	99,079	104,572	80,043	29,842
From a discontinued operation	(7,063)	(3,239)	–	–	–
	67,567	95,840	104,572	80,043	29,842
Effect of dilution:					
Share options	–	–	(86)	–	–

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
				(unaudited)	
Shares					
Weighted average number of ordinary shares in issue during the year/(period) used in the basic earnings per share calculation	336,111,964	336,111,964	336,111,968	336,111,968	336,111,968
Effect of dilution – weighted average number of ordinary shares:					
Share options	–	–	1,353,340	–	448,466
	336,111,964	336,111,964	337,465,308	336,111,968	336,560,434

The Group had no potentially dilutive ordinary shares outstanding in 2019. No potential shares were computed for diluted earnings per share due to anti-dilutive effect for the year ended 31 December 2020 and the six months ended 30 June 2021.

16. Property, Plant and Equipment

	Buildings and site facilities	Machinery and equipment	Motor vehicles	Office furniture and fixtures	Construction in progress	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
31 December 2019						
At 1 January 2019						
Cost	194,927	200,929	4,398	8,503	9,820	418,577
Accumulated depreciation and impairment	(33,165)	(64,816)	(2,340)	(4,266)	–	(104,587)
Net carrying amount	161,762	136,113	2,058	4,237	9,820	313,990
At 1 January 2019, net of accumulated depreciation and impairment	161,762	136,113	2,058	4,237	9,820	313,990
Additions	566	8,221	513	1,355	16,954	27,609
Disposal	(92)	(1,156)	(8)	(56)	–	(1,312)
Depreciation for the year	(9,376)	(19,334)	(704)	(1,099)	–	(30,513)
Transfer	16,807	6,035	–	8	(22,898)	(48)
Translation differences	(4,273)	3,870	53	(1,134)	272	(1,212)
At 31 December 2019, net of accumulated depreciation and impairment	165,394	133,749	1,912	3,311	4,148	308,514

	Buildings and site facilities	Machinery and equipment	Motor vehicles	Office furniture and fixtures	Construction in progress	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
31 December 2020						
At 1 January 2020						
Cost	207,144	216,422	4,861	8,170	4,148	440,745
Accumulated depreciation and impairment	(41,750)	(82,673)	(2,949)	(4,859)	–	(132,231)
Net carrying amount	165,394	133,749	1,912	3,311	4,148	308,514
At 1 January 2020, net of accumulated depreciation and impairment	165,394	133,749	1,912	3,311	4,148	308,514
Additions	10,887	14,538	606	792	39,204	66,027
Disposal	(45)	(914)	(185)	(10)	–	(1,154)
Disposal of a subsidiary	(32,574)	(21,970)	(1,068)	(1,899)	(1,830)	(59,341)
Depreciation for the year	(8,226)	(17,744)	(292)	(533)	–	(26,795)
Reclassification	(81)	33	–	48	–	–
Transfer	24,148	15,448	–	31	(39,737)	(110)
Translation differences	4,617	4,186	(143)	(250)	(299)	8,111
At 31 December 2020, net of accumulated depreciation and impairment	164,120	127,326	830	1,490	1,486	295,252
31 December 2021						
At 1 January 2021						
Cost	209,713	217,828	1,752	3,814	1,486	434,593
Accumulated depreciation and impairment	(45,593)	(90,502)	(922)	(2,324)	–	(139,341)
Net carrying amount	164,120	127,326	830	1,490	1,486	295,252
At 1 January 2021, net of accumulated depreciation and impairment	164,120	127,326	830	1,490	1,486	295,252
Additions	6,858	26,330	455	1,586	29,071	64,300
Additions from business combination	56,839	21,891	1,880	664	2,116	83,390
Disposal	(226)	(1,200)	(14)	(60)	(22)	(1,522)
Depreciation for the year	(11,072)	(21,175)	(355)	(804)	–	(33,406)
Transfer	16,448	10,663	–	11	(27,122)	–
Translation differences	4,728	3,432	45	55	84	8,344

	Buildings and site facilities	Machinery and equipment	Motor vehicles	Office furniture and fixtures	Construction in progress	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
At 31 December 2021, net of accumulated depreciation and impairment	237,695	167,267	2,841	2,942	5,613	416,358
At 31 December 2021						
Cost	295,483	279,461	4,014	5,948	5,613	590,519
Accumulated depreciation and impairment	(57,788)	(112,194)	(1,173)	(3,006)	–	(174,161)
Net carrying amount	237,695	167,267	2,841	2,942	5,613	416,358
30 June 2022						
At 1 January 2022						
Cost	295,483	279,461	4,014	5,948	5,613	590,519
Accumulated depreciation and impairment	(57,788)	(112,194)	(1,173)	(3,006)	–	(174,161)
Net carrying amount	237,695	167,267	2,841	2,942	5,613	416,358
At 1 January 2022, net of accumulated depreciation and impairment	237,695	167,267	2,841	2,942	5,613	416,358
Additions	1,423	13,423	1,036	400	17,123	33,405
Disposal	(144)	(799)	(34)	(12)	–	(989)
Depreciation for the period	(5,960)	(12,467)	(157)	(332)	–	(18,916)
Transfer	1,656	3,513	–	53	(5,222)	–
Translation differences	(10,632)	(9,683)	(80)	(170)	(631)	(21,196)
At 30 June 2022, net of accumulated depreciation and impairment	224,038	161,254	3,606	2,881	16,883	408,662
At 30 June 2022						
Cost	284,721	278,165	4,724	6,017	16,883	590,510
Accumulated depreciation and impairment	(60,683)	(116,911)	(1,118)	(3,136)	–	(181,848)
Net carrying amount	224,038	161,254	3,606	2,881	16,883	408,662

As at 31 December 2019, 2020 and 2021 and 30 June 2022,, the aggregate carrying amounts of USD78,731,000, USD24,341,000, USD40,530,000 and USD40,021,000 were pledged to bank as security respectively for the Group's bank borrowings, as further detailed in Note 31 to the Historical Financial Information.

17. Leases

The Group as a lessee

The Group has lease contracts for various items of leasehold land, buildings and site facilities used in its operations. Leases of land generally have lease terms between 3 and 40 years. Lease terms are negotiated on an individual basis and contain different payment terms and conditions. Leases of buildings and other site facilities generally have lease terms between 2 and 5 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Leasehold land	Buildings and site facilities	Total
	USD'000	*USD'000*	*USD'000*
As at 1 January 2019	49,694	188	49,882
Additions	5,624	20	5,644
Charge for the year	(3,652)	(101)	(3,753)
Translation differences	(341)	3	(338)
As at 31 December 2019 and 1 January 2020	51,325	110	51,435
Additions	5,279	105	5,384
Disposal of a subsidiary	(7,525)	(59)	(7,584)
Charge for the year	(3,600)	(63)	(3,663)
Translation differences	1,690	(6)	1,684
As at 31 December 2020 and 1 January 2021	47,169	87	47,256
Additions	13,909	–	13,909
Additions from business combination	106,034	–	106,034
Charge for the year	(8,240)	(59)	(8,299)
Translation differences	2,299	2	2,301
As at 31 December 2021 and 1 January 2022	161,171	30	161,201
Additions	25,454	–	25,454
Charge for the period	(6,383)	(29)	(6,412)
Translation differences	(8,183)	(1)	(8,184)
As at 30 June 2022	172,059	–	172,059

As at 30 June 2022, the carrying amount of USD2,019,000 was pledged as security for a certain bank borrowing amounting to USD20,562,000 that has not yet been drawn down.

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000*
Carrying amount at the beginning of the year/period	45,369	47,912	50,335	151,156
New leases	4,639	1,096	11,272	25,062
Additions from business combination	–	–	95,541	–
Accretion of interest recognised during the year/period	3,188	3,188	6,101	4,297
Payments	(4,516)	(4,989)	(14,379)	(6,528)
Disposal of a subsidiary	–	(103)	–	–
Translation differences	(768)	3,231	2,286	(7,840)
Carrying amount at the end of the year/period	47,912	50,335	151,156	166,147
Analysed into:				
Current portion	2,791	3,869	5,451	13,749
Non-current portion	45,121	46,466	145,705	152,398

The maturity analysis of lease liabilities is disclosed in Note 45 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Interest on lease liabilities	3,188	3,188	6,101	1,838	4,297
Depreciation charge of right-of-use assets	1,949	2,120	2,828	1,143	2,069
Expense relating to short-term leases	2,168	1,550	1,733	1,453	1,933
Expense relating to low-value leases	19	–	–	–	–
Total amount recognised in profit or loss	7,324	6,858	10,662	4,434	8,299

18. Intangible Assets

	Trademarks	Software	Total
	USD'000	*USD'000*	*USD'000*
31 December 2019			
At 1 January 2019			
Cost	1,293	2,514	3,807
Accumulated amortisation	(248)	(1,443)	(1,691)
Net carrying amount at 1 January 2019, net of accumulated amortization	1,045	1,071	2,116
Additions	–	620	620
Written off	–	(2)	(2)
Amortisation provided during the year	(131)	(456)	(587)
Transfer	–	48	48
Translation differences	15	(5)	10
At 31 December 2019	929	1,276	2,205
At 31 December 2019 and 1 January 2020			
Cost	1,311	3,162	4,473
Accumulated amortization	(382)	(1,886)	(2,268)
Net carrying amount at 1 January 2020, net of accumulated amortization	929	1,276	2,205
Additions	–	144	144
Disposal of subsidiaries	(848)	(361)	(1,209)
Amortisation provided during the year	(32)	(349)	(381)
Transfer	–	110	110
Translation differences	(49)	(11)	(60)
At 31 December 2020	–	809	809
At 31 December 2020 and 1 January 2021			
Cost	–	2,366	2,366
Accumulated amortization	–	(1,557)	(1,557)
Net carrying amount at 1 January 2021, net of accumulated amortization	–	809	809
Additions	–	293	293
Additions from business combination	–	4	4
Amortisation provided during the year	–	(345)	(345)
Translation differences	–	19	19
At 31 December 2021	–	780	780
At 31 December 2021 and 1 January 2022			
Cost	–	2,720	2,720
Accumulated amortization	–	(1,940)	(1,940)
Net carrying amount at 1 January 2022, net of accumulated amortization	–	780	780
Additions	–	73	73
Amortisation provided during the period	–	(185)	(185)
Translation differences	–	(37)	(37)
At 30 June 2022	–	631	631

19. Other Long-Term Assets

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Tax recoverable	1,475	–	–	–
Prepayments for property, plant and equipment	100	2,805	8,071	6,905
	1,575	2,805	8,071	6,905

20. Long-Term Receivable

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Amounts due from a third party, non-trade	13,151	16,407	16,755	16,928
Impairment	–	–	(4,900)	(4,900)
	13,151	16,407	11,855	12,028

The balance of long-term receivable was the shareholder's loans to Food Union AustAsia Holdings Pte. Ltd., with a floating interest rate of 1-year USD LIBOR plus 0.3% per annum. The management classifies it as non-current receivable based on the repayment plan agreed by the parties which is repayable beyond twelve months from the end of the reporting period.

No loss allowance was provided for long-term receivable because the risk was assessed to be minimal as at 31 December 2019 and 31 December 2020. As at 31 December 2021 and 30 June 2022, the Group assessed that the credit risk had been significantly increased, and the Group accrued allowance amounting to USD4,900,000 for the long-term receivable which was assessed to be in stage 2.

21. Inventories

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000*
Raw materials	77,991	96,604	151,973	102,351
Low-value consumables	7,722	4,909	6,246	5,683
Finished goods	2,132	951	2,446	1,176
	87,845	102,464	160,665	109,210

As at 31 December 2019, 2020, 2021 and 30 June 2022, the carrying amounts of USD75,055,000, USD87,307,000, USD65,504,000 and USD46,857,000 were pledged as security for the Group's bank borrowings respectively, as further detailed in Note 31 to the Historical Financial Information.

22. Biological Assets

A – Nature of activities

The biological assets of the Group are mainly dairy cows held to produce raw milk and beef cattle held for sale.

The quantity of dairy cows and beef cattle owned by the Group at the end of each reporting period is shown below. The Group's milkable cows are dairy cows held to produce raw milk. Heifers and calves are those dairy cows that have not reached the age that can produce milk. Beef cattle are raised for sale. Beef cattle mainly consist of Holstein, Angus and Wagyu.

	As at 31 December			As at 30 June
	2019	2020	2021	2022
Milkable cows	54,225	46,680	53,735	57,383
Heifers and calves	47,545	45,099	52,439	54,041
Beef cattle	17,086	19,386	25,414	28,152
Total	118,856	111,165	131,588	139,576

In general, the heifers are inseminated with semen when heifers reached approximately 14 months old. After an approximately nine months' pregnancy term, a calf is born and the dairy cow begins to produce raw milk and the lactation period begins. A milkable cow is typically milked for approximately 300 days before an approximately 60 days' dry period. In general, holstein will be sold when the age reaches approximately 480 days, angus are generally sold when the age reaches approximately 405 days and wagyu will be sold when the age reaches approximately 600 days.

When a heifer begins to produce raw milk, it is transferred to the category of milkable cows based on the estimated fair value on the date of transfer.

The Group is exposed to a number of risks related to its biological assets. The Group is exposed to the following operating risks:

i. Regulatory and environmental risks

The Group is subject to laws and regulations in the location in which it operates plantation and breeding. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage these risks.

ii. Climate, disease and other natural risks

The Group's biological assets are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular inspections and disease controls and surveys and insurance.

B – Value of dairy cows, beef cattle and forage plants

The fair value less costs to sell of dairy cows, beef cattle and forage plants owned by the Group at the end of each reporting period is shown below.

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Milkable cows	263,916	280,177	344,665	356,878
Heifers and calves	97,913	106,125	133,032	140,755
Beef cattle	24,178	33,524	49,217	52,917
Forage plants	–	–	–	9,948
Total	386,007	419,826	526,914	560,498
Current	24,178	33,524	49,217	62,865
Non-current	361,829	386,302	477,697	497,633
	386,007	419,826	526,914	560,498

	Heifers and calves	Milkable cows	Beef cattle	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
Balance at 1 January 2019	99,444	235,789	10,925	346,158
Feeding cost and others	84,066	–	16,247	100,313
Transfer	(75,501)	75,501	–	–
Decrease due to sales	(11,059)	(30,652)	(22,236)	(63,947)
Gain/(loss) arising from changes in fair value less costs to sell	5,445	(13,411)	13,460	5,494
Translation differences	(4,482)	(3,311)	5,782	(2,011)
Balance at 31 December 2019	97,913	263,916	24,178	386,007
Feeding cost and others	86,833	–	22,108	108,941
Purchase	667	–	–	667
Transfer	(63,922)	63,922	–	–
Decrease due to sales	(2,122)	(30,025)	(43,003)	(75,150)
Decrease due to disposal of subsidiaries	(9,064)	(18,372)	–	(27,436)
Gain/(loss) arising from changes in fair value less costs to sell	564	(14,512)	21,850	7,902
Translation differences	(4,744)	15,248	8,391	18,895
Balance at 31 December 2020	106,125	280,177	33,524	419,826
Addition from business combination	14,037	11,995	–	26,032
Feeding cost and others	116,548	–	36,382	152,930
Transfer	(86,697)	86,697	–	–
Decrease due to sales	(4,294)	(37,236)	(50,500)	(92,030)
Gain/(loss) arising from changes in fair value less costs to sell	(6,013)	(4,731)	19,590	8,846
Translation differences	(6,674)	7,763	10,221	11,310
Balance at 31 December 2021	133,032	344,665	49,217	526,914

	Heifers and calves	Milkable cows	Beef cattle	Forage plants	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Balance at 31 December 2021	133,032	344,665	49,217	–	526,914
Feeding cost and others	59,474	–	28,030	13,854	101,358
Transfer	(48,363)	48,363	–	–	–
Decrease due to sales	(1,478)	(16,948)	(25,037)	–	(43,463)
Decrease due to transfer to inventory	–	–	–	(3,373)	(3,373)
Gain/(loss) arising from changes in fair value less costs to sell	3,221	(1,031)	1,020	(219)	2,991
Translation differences	(5,131)	(18,171)	(313)	(314)	(23,929)
Balance at 30 June 2022	140,755	356,878	52,917	9,948	560,498

The Group has engaged Jones Lang LaSalle Corporate Appraisal And Advisory Limited, an independent firm of professional valuers, to assist it in assessing the fair values of the Group's dairy cows and beef cattle. The independent valuer and the management of the Group held meetings periodically to discuss the valuation techniques and changes in market information to ensure the valuation was performed properly. The valuation techniques used in the determination of fair values as well as the key inputs used in the valuation models are disclosed in Note 44.

As at 31 December 2019, 2020, 2021 and 30 June 2022, the Group's dairy cows and beef cattle in the amount of USD316,444,000, USD362,976,000, USD319,248,000 and USD356,500,000 were pledged to banks to secure certain bank borrowings granted to the Group respectively, as further detailed in Note 31 to the Historical Financial Information.

The aggregate gain or loss arising on initial recognition of raw milk and from the changes in fair value less costs to sell of biological assets is analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Gains/(losses) arising from changes in fair value less costs to sell of dairy cows	(7,966)	(13,948)	(10,744)	16,638	2,190
Gains/(losses) arising from changes in fair value less costs to sell of forage plants	(1,727)	(684)	(572)	89	(219)
Gains arising from changes in fair value less cost to sell of beef cattle	13,460	21,850	19,590	9,280	1,020
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	108,128	128,253	153,770	70,352	65,959
	111,895	135,471	162,044	96,359	68,950

Included in the losses arising from changes in fair value less costs to sell of dairy cows are gains of USD2,302,000 and losses of USD469,000 from the discontinued operation for the years ended 31 December 2019 and 2020, respectively.

Included in the losses arising from changes in fair value less costs to sell of forage plants are gains of USD52,000 from the discontinued operation for the year ended 31 December 2019.

Included in the balances of biological assets are unrealized gains of USD50,443,000, USD49,310,000, USD64,286,000, USD49,240,000 and USD 31,991,000 which were charged to the statements of profit or loss for the years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2021 and 2022, respectively, arising from changes in fair value less costs to sell of biological assets of the continuing operations as estimated by the Group's management.

23. Trade Receivables

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Trade receivables	52,294	36,094	46,600	41,273
Impairment	(244)	–	–	–
	52,050	36,094	46,600	41,273

The Group's trading terms with its customers for sales of raw milk and milk products are mainly on credit, except for new customers, where payment in advance is normally required. The credit period of sales of raw milk is 30 days after the invoice date. The credit period of sales of milk products is generally 30 to 45 days after the invoice date, extending up to 90 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Within 1 month	45,522	34,061	45,108	40,784
1 to 2 months	3,251	2,031	1,337	422
2 to 3 months	940	2	98	33
Over 3 months	2,337	–	57	34
	52,050	36,094	46,600	41,273

Included in the Group's trade receivables are amounts due from a shareholder which has significant influence over the Company of USD1,322,000, USD1,925,000 and USD1,872,000 as at 31 December 2020, 2021 and 30 June 2022 respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

As at 31 December 2019, 2020, 2021 and 30 June 2022, trade receivables of USD37,182,000, USD33,390,000, USD40,426,000 and USD37,368,000 were pledged to banks to secure certain bank borrowings granted to the Group respectively, as further detailed in note 31 to the Historical Financial Information.

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
At beginning of year/period	304	244	–	–
Provision for the year	–	–	–	–
Reversal for the year	(71)	–	–	–
Disposal of subsidiaries	–	(208)	–	–
Translation differences	11	(36)	–	–
At end of year/period	244	–	–	–

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The expected credit loss rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). As at 31 December 2019, the expected credit loss rate was 0.47% while as at 31 December 2020, 2021 and 30 June 2022, the expected credit loss rate was immaterial.For the trade receivables from customers of China farms, no loss allowance was accrued because the risk was assessed to be minimal at the end of each of the Relevant Periods. For trade receivables from customers of the GDS business, receivables which are past due over 3 months amounted to USD2,461,000, and the Group used a provision matrix to accrue loss allowance of USD244,000 at the end of 2019.

24. Prepayments, Other Receivables And Other Assets

Group

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Prepayments	9,872	8,189	18,311	24,853
Deposits and other receivables	822	165	416	1,046
	10,694	8,354	18,727	25,899

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. At 31 December 2019, 2020, 2021 and 30 June 2022, the Group expected that the credit risk was considered to be low and the expected credit loss rate was immaterial, thus the loss allowance was assessed to be minimal.

Company

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Deposits and other receivables	4,608	2,868	34,773	24,851
Prepayments	–	9	–	474
	4,608	2,877	34,773	25,325

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. At 31 December 2019, 2020, 2021 and 30 June 2022, the Company expected that the credit risk was considered to be low and the expected credit loss rate was immaterial, thus the loss allowance was assessed to be minimal.

25. Cash And Cash Equivalents And Pledged Deposits

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Cash and bank balances	54,639	44,939	23,248	48,040
Less: Pledged deposits	(3,435)	(1,622)	(1,103)	(885)
Cash and cash equivalents	51,204	43,317	22,145	47,155

At the end of the reporting period, the cash and bank balances of the Group were denominated in the following currencies. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
RMB	49,974	44,252	21,872	45,844
USD	1,546	637	1,131	2,089
SGD	1,456	49	245	107
IDR	1,143	–	–	–
MYR	351	–	–	–
HKD	169	1	–	–
Total	54,639	44,939	23,248	48,040

Cash at banks earns interest at floating rates based on daily bank deposit rates. The cash and bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 December 2019, 2020, 2021 and 30 June 2022, the bank balances of USD3,435,000, USD1,622,000, USD1,103,000 and USD885,000 were pledged to bank as security, respectively, for the Group's bank borrowings and the purchase of imported alfalfa, as further detailed in note 31 to the Historical Financial Information.

26. Trade Payables

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000*
Trade payables	85,987	54,942	79,640	75,345

An ageing analysis of the trade payables as at the end of each reporting period, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000*
Within 2 months	61,273	49,492	71,248	63,777
2 to 6 months	20,518	3,179	6,192	9,075
6 to 12 months	3,083	1,174	926	1,229
Over 1 year	1,113	1,097	1,274	1,264
	85,987	54,942	79,640	75,345

As at 31 December 2019, 2020, 2021 and 30 June 2022, the trade payables of USD6,062,000, USD4,602,000, USD4,961,000 and USD9,316,000 are due to a fellow subsidiary which are repayable within 110 days.

The trade payables are non-interest-bearing and are normally settled on 30-180 day terms.

27. Other Payables And Accruals

Group

	Notes	As at 31 December			As at 30 June
		2019	**2020**	**2021**	**2022**
		USD'000	*USD'000*	*USD'000*	*USD'000*
Current					
Other payables		5,420	1,345	996	1,903
Accruals		4,547	1,611	1,794	3,788
Payroll payable		9,073	8,953	11,501	8,731
Construction payables		9,352	19,546	20,146	24,998
Contract liabilities	*(a)*	7,631	6,589	1,870	2,059
Interest payable		706	471	2,103	1,539
		36,729	38,515	38,410	43,018
Non-current					
Defined benefit obligations		3,409	–	–	–
Other non-current liability	*(b)*	–	–	13,646	13,271
Contract liabilities	*(a)*	–	–	1,390	999
		3,409	–	15,036	14,270

Included in the Group's other payables are amounts due to the related parties of USD1,645,000, USD33,000, USD6,000 and USD490,000 as at 31 December 2019, 2020, 2021 and 30 June 2022 respectively.

Notes:

(a) Contract liabilities

The contract liabilities of the Group represent only the advances from customers. The following table shows revenue recognized that was included in the balance of contract liabilities at the beginning of each reporting period.

	Year ended 31 December			Six months ended 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Advances from customers	4,401	7,631	6,589	1,870

(b) Other non-current liability

As at 31 December 2021 and 30 June 2022, the balance of other non-current liability represents the deposit from a third party customer of raw milk which will be due in 2024.

Company

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Current				
Other payables	–	33	214,172	212,870
Accruals	92	940	750	2,669
Others	–	1,307	5,178	914
	92	2,280	220,100	216,453
Non-current				
Others	–	2,206	–	–

Included in the Company's other payables are amounts due to the related parties of USD33,000, USD214,172,000 and USD212,870,000 as at 31 December 2020, 2021 and 30 June 2022 respectively. Other payables due to the related parties are non-trade in nature, unsecured, interest-free and repayable on demand as at 31 December 2020, 2021 and 30 June 2022 respectively.

28. Share Appreciation Liability

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Current				
AIH Share Appreciation Plan	–	1,307	1,856	568
AIH Performance Share Plan	–	–	2,731	203
	–	1,307	4,587	771
Non-current				
AIH Share Appreciation Plan	–	1,269	–	–
AIH Performance Share Plan	–	937	–	–
	–	2,206	–	–

29. Loans From A Shareholder

Group

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000*
Current				
Loans from holding company	4,000	2,200	6,300	6,300
Non-current				
Loans from holding company	4,100	23,340	19,240	19,240

Loans from the holding company are non-trade in nature, unsecured, bearing interest at a rate from 4.41% to 5.26% per annum in 2019, 3.74% to 4.84% per annum in 2020, 3.67% to 4.67% per annum in 2021 and 3.70% to 5.67% per annum during the six months ended 30 June 2022, respectively. The management classifies the current and non-current portions of the loans based on the repayment plan agreed with the holding company on a yearly basis. For the non-current loans payable, the Group agreed with the holding company that they are repayable beyond twelve months from the end of each reporting period.

Loans from the holding company will be capitalised prior to the Listing Date.

Company

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000*
Current				
Loans from holding company	4,000	2,200	6,300	6,300
Non-current				
Loans from holding company	4,100	4,100	–	–

Loans from the holding company are non-trade in nature, unsecured, bearing interest at a rate from 4.41% to 5.26% per annum in 2019, 3.74% to 4.65% per annum in 2020, 3.67% to 3.71% per annum in 2021 and 3.70% to 4.72% during the six months ended 30 June 2022, respectively. The management classifies the current and non-current portions of the loans based on the repayment plan agreed with the holding company on a yearly basis. For the non-current loans payable, the Group agreed with the holding company that they are repayable beyond twelve months from the end of each reporting period.

Loans from the holding company will be capitalised prior to the Listing Date.

30. Derivative Financial Instruments

	As at 31 December						As at 30 June	
	2019		2020		2021		2022	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Forward currency contracts*	6	2,164	–	3,621	–	–	–	–
Interest rate swaps**	19	691	–	326	–	–	–	–
	25	2,855	–	3,947	–	–	–	–
Portion classified as non-current:								
Forward currency contracts*	6	1,408	–	–	–	–	–	–
Interest rate swaps**	19	451	–	–	–	–	–	–
	25	1,859	–	–	–	–	–	–
Current portion	–	996	–	3,947	–	–	–	–

* Forward currency contracts are used to hedge foreign currency risk arising from the Group's bank loans denominated in USD for which firm commitments existed at the repayment date, without using hedge accounting for derivative financial instruments. The forward currency contracts matured on 14 September 2021, without using hedge accounting for derivative financial instruments.

** Interest rate swap contracts are entered into hedge interest rate risk arising from floating rate of USD long-term bank loans. The interest rate swap received floating interest rate of 3-month LIBOR per annum and paid at a fixed rate of 1.685% per annum. The interest rate swap contracts matured on 14 September 2021, without using hedge accounting for derivative financial instruments.

31. Interest-Bearing Bank Borrowings

Group

	As at 31 December									As at 30 June		
	2019			2020			2021			2022		
	Effective interest rate (%)	*Maturity*	*USD'000*	*Effective interest rate (%)*	*Maturity*	*USD'000*	*Effective interest rate (%)*	*Maturity*	*USD'000*	*Effective interest rate (%)*	*Maturity*	*USD'000*
Current												
Bank loans – secured	5.22-9.75	2020	32,320	5.32	2021	11,556	3.85-5.22	2022	25,056	3.8-5.11	2023	57,182
Current portion of long-term bank loans – secured	6.98-10.00	2020	56,053	5.35-7.15	2021	59,231	4.13-7.3	2022	40,500	4.21-7.4	2023	52,800
			88,373			70,787			65,556			109,982
Non-current												
Bank loans – secured	6.98-10.00	2021-2024	124,120	5.35-7.15	2022-2025	71,854	4.13-7.3	2023-2026	202,422	4.21-7.4	2023-2026	166,431
			212,493			142,641			267,978			276,413

Company

	As at 31 December									As at 30 June		
	2019			2020			2021			2022		
	Effective interest rate (%)	*Maturity*	*USD'000*	*Effective interest rate (%)*	*Maturity*	*USD'000*	*Effective interest rate (%)*	*Maturity*	*USD'000*	*Effective interest rate (%)*	*Maturity*	*USD'000*
Current												
Current portion of long-term bank loans – secured			–			–	4.13	2022	23,532	4.21	2023	30,256
Non-current												
Bank loans – secured			–			–	4.13	2024	41,836	4.21	2024	25,729
			–			–			65,368			55,985

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Analysed into:				
Bank loans:				
Within one year or on demand	88,373	70,787	65,556	109,982
In the second year	78,051	11,625	70,024	57,391
In the third to fifth years, inclusive	46,069	60,229	132,398	109,040
	212,493	142,641	267,978	276,413

Notes:

(a) The Group's facilities amounted to USD316,931,000 in 2019, USD293,717,000 in 2020, USD407,394,000 in 2021 and USD593,051,000 during the six months ended 30 June 2022, of which the unutilized bank facilities were USD11,467,000, USD51,319,000, USD56,038,000 and USD218,893,000 as at the end of the respective reporting periods. As at 31 December 2019, 2020, 2021 and 30 June 2022, the Group's facilities are secured by the pledge of certain of the Group's assets.

(b) Certain of the Group's bank loans are secured by:

(i) pledges over certain of the Group's pledged deposits, which had an aggregate carrying value of USD844,000 at 31 December 2019, USD905,000 at 31 December 2020, USD930,000 at 31 December 2021 and USD885,000 at 30 June 2022;

(ii) pledges over certain of the Group's trade receivables, which had a net carrying value of USD37,182,000 at 31 December 2019,USD33,390,000 at 31 December 2020, USD40,426,000 at 31 December 2021 and USD37,368,000 at 30 June 2022;

(iii) pledges over certain of the Group's inventories totalling USD75,055,000 at 31 December 2019, USD87,307,000 at 31 December 2020, USD65,504,000 at 31 December 2021 and USD46,857,000 at 30 June 2022;

(iv) mortgages of certain of the Group's property, plant and equipment, which had an aggregate carrying amount of USD78,731,000 at 31 December 2019, USD24,341,000 at 31 December 2020, USD40,530,000 at 31 December 2021 and USD40,021,000 at 30 June 2022;

(v) mortgages of certain of the Group's biological assets, which had an aggregate carrying amount of USD316,444,000 at 31 December 2019, USD362,976,000 at 31 December 2020, USD319,248,000 at 31 December 2021 and USD356,500,000 at 30 June 2022;

(vi) pledges over the shares of a subsidiary which had an aggregate carrying value of USD26,430,000 at the end of each of the Relevant Periods;

(vii) pledges over the investments in certain subsidiaries which had an aggregate carrying value of USD336,967,000 at 31 December 2021 and USD336,967,000 at 30 June 2022.

(c) The bank borrowings are dominated in following currencies:

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	USD'000	*USD'000*	*USD'000*	*USD'000*
USD	93,833	35,900	65,368	55,985
RMB	57,655	106,741	202,610	220,428
IDR	61,005	–	–	–
	212,493	142,641	267,978	276,413

32. Deferred Tax

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax liabilities

	Depreciation allowance in excess of related depreciation	Fair value of biological assets	Withholding taxes	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
At 1 January 2019	1,263	1,024	–	2,287
Deferred tax charged to the statement of profit or loss during the year *(Note 11)*	631	895	–	1,526
Translation differences	63	57	–	120
Gross deferred tax liabilities recognised in the consolidated statement of financial position at 31 December 2019	1,957	1,976	–	3,933
At 1 January 2020	1,957	1,976	–	3,933
Deferred tax charged/(credited) to the statement of profit or loss during the year *(Note 11)*	43	(34)	–	9
Translation differences	(299)	(294)	–	(593)
Disposal of subsidiaries	(1,701)	(1,648)	–	(3,349)
Gross deferred tax liabilities recognised in the consolidated statement of financial position at 31 December 2020	–	–	–	–

	Depreciation allowance in excess of related depreciation	Fair value of biological assets	Withholding taxes	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
At 1 January 2021	–	–	–	–
Deferred tax charged to the statement of profit or loss during the year *(Note 11)*	–	–	600	600
Gross deferred tax liabilities recognised in the consolidated statement of financial position at 31 December 2021	–	–	600	600
Gross deferred tax liabilities recognised in the consolidated statement of financial position at 30 June 2022	–	–	600	600

Deferred tax assets

	Allowance for impairment	Long-term employee benefits liability	Provisions	Tax losses	Others	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
At 1 January 2019	91	705	223	2,025	28	3,072
Deferred tax credited/(charged) to the statement of profit or loss during the year *(Note 11)*	(19)	155	(1)	(2,075)	(1)	(1,941)
Deferred tax charged to other comprehensive income	–	(39)	–	–	–	(39)
Translation differences	3	31	10	50	1	95
Gross deferred tax assets at 31 December 2019	75	852	232	–	28	1,187
At 1 January 2020	75	852	232	–	28	1,187
Deferred tax credited/(charged) to the statement of profit or loss during the year *(Note 11)*	–	28	(55)	–	7	(20)
Translation differences	(12)	(131)	(29)	–	(5)	(177)
Disposal of subsidiaries	(63)	(749)	(148)	–	(30)	(990)
Gross deferred tax assets at 31 December 2020	–	–	–	–	–	–

Deferred tax assets have not been recognised in respect of the following item:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Tax losses	31,993	13,503	13,147	12,202

As at 31 December 2019, 2020, 2021 and 30 June 2022, certain of the Group's PRC subsidiaries had unused tax losses of USD12,843,000, USD13,503,000, USD13,147,000 and USD12,202,000 incurred by the non-agricultural business in the PRC respectively. These unused tax losses will expire in the subsequent 5 years as disclosed in the following table if not utilised. No deferred tax asset has been recognised in relation to such tax losses as it is not probable that taxable profit will be available against which the temporary differences can be utilised.

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
Year 2020	1,695	–	–	–
Year 2021	615	657	–	–
Year 2022	2,176	2,326	2,381	1,860
Year 2023	2,824	3,019	3,090	2,935
Year 2024	5,533	5,915	6,054	5,751
Year 2025	–	1,586	1,622	1,542
Year 2026	–	–	–	114
	12,843	13,503	13,147	12,202

As at 31 December 2019, the Group's Indonesia subsidiary had unused tax losses of USD13,068,000 incurred by the non-agricultural business in Indonesia. These unused tax losses as at 31 December 2019 will expire in the years from 2022 to 2024 as disclosed in the following table if not utilised. No deferred tax asset has been recognised in relation to such tax losses as it is not probable that taxable profit will be available against which the temporary differences can be utilised.

	2019
Year 2022	1,728
Year 2023	6,710
Year 2024	4,630
	13,068

As at 31 December 2019, the Group's subsidiaries in other countries/regions had unused tax losses of USD6,082,000 incurred by the non-agricultural business. These unused tax losses as at 31 December 2019 had no expiry date. No deferred tax asset has been recognised in relation to such tax losses as it is not probable that taxable profit will be available against which the temporary differences can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. Deferred taxation has not been provided for in the consolidated financial statements in respect of the accumulated profits of the PRC subsidiaries amounting to USD206,650,000, USD317,090,000, USD415,738,000 and USD430,816,000 as at 31 December 2019, 2020 and 2021 and 30 June 2022, respectively, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future because the Group will retain the funding for the development in Mainland China.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

33. Share Capital

Shares

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
Issued and fully paid:				
Number of shares in issue	317,233,391	336,111,968	336,111,968	336,111,968
Share capital (USD'000)	443,767	308,502	308,502	308,502

A summary of movements in the Company's share capital is as follows:

	Notes	**Number of shares in issue**	**Share capital**
			USD'000
At 1 January 2019		228,368,571	313,300
Shares issued for acquisition of a subsidiary	*(a)*	88,864,820	130,467
At 31 December 2019 and 1 January 2020		317,233,391	443,767
Issuance of shares	*(b)*	4	14,360
Shares issued for acquisition of a subsidiary	*(a)*	18,878,573	26,430
Offset against an amount due from its holding company	*(c)*	–	(71,620)
Offset against the accumulated losses	*(d)*	–	(104,435)
At 31 December 2020 and 1 January 2021		336,111,968	308,502
At 31 December 2021 and 1 January 2022		336,111,968	308,502
At 30 June 2022		336,111,968	308,502

Notes:

(a) In 2019, 88,864,820 new ordinary shares were issued to its holding company in exchange for a 100% equity interest in AIH2 Pte Ltd ("AIH2").

In 2020, 18,878,573 new ordinary shares were issued to its holding company in exchange for a 100% equity interest in Dongying AustAsia Beef Co., Ltd ("DYAB").

(b) In 2020, 3 new ordinary shares were issued to its holding company in exchange for the increase in the Company's investment in AIH2. An additional bonus share with nil consideration is issued to Meiji Pte Ltd.

(c) Capital was reduced by USD71,620,000 during the year to offset against the amount due from its holding company for disposing of the entire equity interest and loan receivable from its South East Asia Dairy business.

(d) Capital was reduced by USD104,435,000 to offset against the accumulated losses.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

34. Share Option Scheme

The Group operated two share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the share options include employees in the Group. The Group adopted the share option scheme ("AIH Share Appreciation Plan") on 6 June 2012. Under the scheme, the Group granted share option for four times on 9 July 2012, 28 November 2013, 30 April 2015 and 29 April 2019. Each option shall vest over a period of 4 years of continuous full-time employment from the date of grant. Options may only be exercised upon the full satisfaction of the dual conditions that: (a) the option has fully vested (and not upon if the option has only partially vested, regardless of whether the exercise is limited to such vested portion) and (b) if the IPO condition has been met.

In July 2020, the Company implemented the "AIH Performance Share Plan" (the "AIH PSP"). The purpose of the AIH PSP is to, inter alia, foster an ownership culture within the AustAsia Group which aligns the interests of executives and employees of the AustAsia Group with the interests of its shareholders and to motivate participants in the AIH PSP to achieve key financial and operational goals of AIH and/or its respective business units. The AIH PSP shall continue in effect for a term of five years, provided always that the AIH PSP may continue beyond the above stipulated period with the approval of the shareholders of the Company.

The aggregate number of shares of the AIH Share Appreciation Plan to be delivered pursuant to the exercise of options on any date, when added to the number of AIH Share Appreciation Plan already issued and that may be issued in respect of all outstanding options granted under this option scheme and all other shares issued under any other share-based incentive schemes that may be implemented by the Group, shall not exceed two per cent of the issued shares of the Group on the day preceding the relevant date of grant. The committee shall have the absolute right to determine the number of shares of the AIH Share Appreciation Plan to which each eligible participant is entitled.

(a) AIH Share Appreciation Plan

The exercise prices and exercise periods of the AIH Share Appreciation Plan as at the end of each of the Relevant Periods are as follows:

As at 31 December 2019

Number of options	Exercise price (USD)	Exercise period
307,500	1.25	2013-12-31 to 2022-9-30
472,500	1.25	2014-12-31 to 2022-9-30
120,000	1.25	2015-12-31 to 2022-9-30
590,000	1.35	2016-12-31 to 2022-9-30
440,000	1.45	2019-4-29 to 2022-9-30
2,409,230	1.50	The later of 2020-4-28 to 2022-9-30 and IPO date
4,339,230		

As at 31 December 2020

Number of options	Exercise price (USD)	Exercise period
307,500	1.25	2013-12-31 to 2022-9-30
472,500	1.25	2014-12-31 to 2022-9-30
120,000	1.25	2015-12-31 to 2022-9-30
590,000	1.35	2016-12-31 to 2022-9-30
440,000	1.45	2019-4-29 to 2022-9-30
2,359,230	1.50	The later of 2020-4-28 to 2022-9-30 and IPO date
4,289,230		

As at 31 December 2021

Number of options	Exercise price (USD)	Exercise period
164,666	1.25	2013-12-31 to 2022-9-30
243,332	1.25	2014-12-31 to 2022-9-30
42,665	1.25	2015-12-31 to 2022-9-30
494,500	1.35	2016-12-31 to 2022-9-30
339,998	1.45	2019-4-29 to 2022-9-30
1,892,396	1.50	The later of 2020-4-28 to 2022-9-30 and IPO date
3,177,557		

As at 30 June 2022

Number of options	Exercise price (USD)	Exercise period
39,500	1.25	2013-12-31 to 2022-9-30
86,664	1.25	2014-12-31 to 2022-9-30
18,664	1.25	2015-12-31 to 2022-9-30
335,500	1.35	2016-12-31 to 2022-9-30
236,662	1.45	2019-4-29 to 2022-9-30
1,457,870	1.50	The later of 2020-4-28 to 2022-9-30 and IPO date
2,174,860		

The fair value of AIH Share Appreciation Plan was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2019
Dividend yield (%)	0.00
Expected volatility (%)	44.50
Risk-free interest rate (%)	1.17
Expected life of options (year)	4.11
Weighted average share price (USD per share)	1.80

The expected life of the share option is based on the historical data and current expectations and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

In July 2020, the Company modified the terms of AIH's outstanding awards, including a conditional right for holders of these awards with an option for cash settlement exercisable over a certain period. Settlement will be in AIH shares in the event AIH has achieved an IPO.

The cash settled component is valued at the modification date with the cumulative amount credited to liability and debited to share appreciation reserve. The liability component is fair valued at each reporting date and recognised as share appreciation liability.

The following share options were outstanding under the AIH Share Appreciation Plan during the Relevant Periods:

	As at 31 December						As at 30 June	
	2019		2020		2021		2022	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	USD		*USD*		*USD*		*USD*	
At 1 January	1.42	4,339,230	1.42	4,339,230	1.42	4,289,230	1.44	3,177,557
Granted during the year/period	–	–	–	–	–	–	–	–
Forfeited during the year/period	–	–	1.50	(50,000)	–	–	–	–
Exercised during the year/period	–	–	–	–	1.38	(1,111,673)	1.39	(1,002,697)
Expired during the year/period	–	–	–	–	–	–	–	–
At 31 December/30 June	1.42	4,339,230	1.42	4,289,230	1.44	3,177,557	1.45	2,174,860

The Group recognized expenses of USD788,000 and USD648,000 in 2019 and 2020, and reversed an expense of USD86,000 in 2021. The Group recognized an expense of USD257,000 during the six months ended 30 June 2022.

(b) AIH Performance Share Plan

Under the terms of the AIH PSP, the directors and employees of the AustAsia Group who have met the relevant criteria set out in the AIH PSP or by the remuneration committee of AIH ("AIH remuneration committee"), are eligible to participate in the AIH PSP. Controlling shareholders (and their associates) of the Company are also eligible to participate in the AIH PSP provided that their participation and actual or maximum number of shares in AIH and terms of any award to be granted to them under the AIH PSP have been duly approved by independent shareholders of the Company.

The ordinary shares which are the subject of the awards are based on 100% of the grant. The shares awarded on the vesting date could range from 0% to 200% depending on the achievement of pre-determined conditions within specified periods. Settlement will be in cash unless the Company has achieved an IPO by the date of settlement, in which event settlement will be in AIH shares.

For equity-settled tranches, the Group applied the binomial option pricing model in measuring the fair value of the share awards at the grant date. The equity-settled tranches are recognised as expenses over the performance period. The equity-settled component referring to this right is recognized as AIH performance share plan reserve in Note 35.

For cash-settled tranches, the Group applied the binomial option pricing model in measuring the fair value of the share awards at the grant date. The fair value is subsequently remeasured based on the fair value of the share awards at each reporting date, and recognized as expenses over the performance period. The liability of cash-settled tranches referring to this right is recognized as AIH performance share plan liability.

The Group applied the sum-of-the-part method under the asset-based approach in the valuation of the equity value of the Group by using the income approach in estimating the value of the subsidiaries in Mainland China, and the market approach in estimating the value of the equity interest in FUAA. Based on the fair value of the equity value per share, then the Group applied the binomial option pricing model in measuring the fair value of the share awards.

The following table illustrates the number and movements of the AIH performance share plan during the Relevant Periods:

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	Number	*Number*	*Number*	*Number*
Outstanding at 1 January	–	–	9,318,600	9,929,600
Granted during the year/period	–	9,318,600	611,000	682,100
Exercised during the year/period	–	–	–	(568,600)
Outstanding at 31 December/30 June	–	9,318,600	9,929,600	10,043,100

The Group recognized expenses of USD3,743,000, USD15,703,000 and USD6,592,000 in 2020, 2021 and the six months ended 30 June 2022, respectively.

35. Reserves

		As at 31 December			As at 30 June
	Notes	2019	2020	2021	2022
		USD'000	*USD'000*	*USD'000*	*USD'000*
Statutory reserve	*(a)*	37,304	54,373	71,943	71,943
AIH Share Appreciation Plan *(Note 34)*		3,453	1,559	361	–
Japfa Performance Share Plan	*(b)*	742	627	1,046	1,061
AIH Performance Share Plan *(Note 34)*		–	2,806	16,715	22,799
Merger reserve	*(c)*	(59,446)	(8,409)	(8,409)	(8,409)
Fair value reserve	*(d)*	(6,298)	(6,298)	(6,715)	(6,715)
Foreign currency translation reserve	*(e)*	(53,364)	5,863	23,101	(19,160)
Retained profits		199,390	292,646	379,648	409,490
		121,781	343,167	477,690	471,009

Notes:

(a) Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the PRC, the subsidiaries are required to make appropriation to Statutory Reserve ("SR"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to SR until the cumulative total of the SR reaches 50% of the subsidiaries' registered capital. Subject to approval from the relevant PRC authorities, SR may be used to offset any accumulated losses or increase in the registered capital of the subsidiary. SR is not available for dividend distribution to shareholders.

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Balance at 1 January	28,173	37,304	54,373	71,943
Transferred from retained profits	9,131	17,069	17,570	–
Balance at 31 December/30 June	37,304	54,373	71,943	71,943

(b) Japfa Performance Share Plan

The Company's immediate holding corporation operates an equity-settled share based compensation plan. The shares were granted to employees of the Company and its PRC subsidiaries subject to certain conditions being met. In July 2020, the pre-determined market conditions and the performance period have been modified by the Japfa Remuneration Committee.

During 2019, new shares were granted to employees of the Company and its PRC subsidiaries subject to their performance ending 2018. The fair values of awards granted are determined using the Monte Carlo Simulation Model and the expenses are recognized over the vesting period.

During 2020, new shares were granted to employees of the Company and its PRC subsidiaries subject to certain conditions being met. The shares awarded on the vesting date could range from 0% to 200%, depending on the level of achievement against pre-set performance conditions within the performance period. The fair values of awards granted are determined using the Monte Carlo Simulation Model and the expenses are recognized over the vesting period.

The following table illustrates the number of the Japfa performance share plan, and the movements during the Relevant Periods:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	Number	*Number*	*Number*	*Number*
Outstanding at 1 January	5,580,300	5,656,300	6,207,300	6,471,500
Granted during the year/period	76,000	577,100	264,200	–
Disposal of subsidiaries	–	(26,100)	–	–
Outstanding at 31 December/30 June	5,656,300	6,207,300	6,471,500	6,471,500

The expenses of share award recognized amounted to USD459,000, USD450,000, USD419,000 and USD15,000 in 2019, 2020 and 2021 and the six months ended 30 June 2022, respectively.

(c) Merger reserve

The merger reserve represents the difference between the consideration paid and the net assets of a subsidiary restructured under common control. The Group has applied the pooling of interest method for business combination under common control. The merger reserve arising from the acquisition is as follows:

		As at 31 December			As at 30 June
		2019	**2020**	**2021**	**2022**
		USD'000	*USD'000*	*USD'000*	*USD'000*
Balance at 1 January		71,021	(59,446)	(8,409)	(8,409)
Acquisition of AIH2	*i*	(130,467)	–	–	–
Acquisition of DYAB	*ii*	–	(26,430)	–	–
Disposal of South East Asia business	*iii*	–	(12,483)	–	–
Reclassified to retained earnings	*iii*	–	89,950	–	–
Balance at 31 December/ 30 June		(59,446)	(8,409)	(8,409)	(8,409)

(i) On 1 January 2019, the Company acquired a 100% equity interest in AIH2 Pte Ltd from its holding company for a consideration of USD130,467,000 which was paid through issuance of ordinary shares of the Company.

(ii) On 2 April 2020, the Company entered into share transfer agreements with a related party, Japfa China Investments Pte Ltd, who is under the control by its holding company, as part of a restructuring exercise, to acquire 100% equity shares in Dongying AustAsia Beef Co. Ltd ("DYAB") for a consideration of USD26,430,000 which was paid through issuance of ordinary shares of the Company.

The above entities within the Group were under common control before and after the completion of the acquisition exercise. Accordingly, in applying merger accounting, financial statement items of the combining entities for the reporting period in which the common control combination occurs, and for the comparative periods disclosed, are included in the consolidated financial statements of the Company as if the combination had occurred from the date when the combining entities first came under the control of the controlling party or parties. Upon completion of the acquisition exercise, the investments in the newly acquired subsidiaries have been adjusted against the merger reserve in the consolidated financial statements of the Company.

(iii) During the financial year of 2020, the Group restructured its dairy business by disposing of the entire interest in its South East Asia business to its holding company, Japfa Ltd. These merger reserve relate to the share capital of the following components which are the wholly-owned subsidiaries of the Company upon completion of the acquisition:

(a) PT Greenfield Indonesia

(b) PT AustAsia Food

(c) AustAsia Food Pte Ltd

(d) AustAsia Food (M) Sdn Bhd

(e) AustAsia Food HK Limited

(d) Fair value reserve

The fair value reserve represents the present value changes recognized for the Company's equity investment for which the Company has elected to present the value changes in other comprehensive income.

(e) ***Foreign currency translation reserve***

The foreign currency translation reserve represents exchange differences arising from the translation of foreign operations whose functional currencies are different from that of the Company's presentation currency.

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Balance at the beginning of year/period	(48,340)	(53,364)	5,863	23,101
Disposal of subsidiaries	–	25,015	–	–
Net effect of exchange differences arising from translation of foreign operations	(5,024)	34,212	17,238	(42,261)
Balance at the end of year/period	(53,364)	5,863	23,101	(19,160)

36. Business Combination

On 28 June 2021, the Company entered into a sale and purchase agreement with third parties Abbott Overseas Luxembourg s.a.r.l. and Tangshan Fonterra Ranch (Hong Kong) Co., Ltd, pursuant to which the sellers agreed to sell, and the Company agreed to purchase, the 100% equity interests in Falcon Dairy Holdings Limited ("Falcon") and its subsidiary Pure Source Dairy Farm Co., Ltd. ("Pure Source") at a total consideration of USD123,483,000, which shall be satisfied by cash. The business combination was completed on 30 June 2021. The principal activity of Falcon is investment holding, and its subsidiary Pure Source is principally engaged in raising and selling cows and calves; selling milk and dairy raw materials; acquiring forage, feed, cows and calves; selling solid and liquid sewage; planting and selling crops.

The fair values of the identifiable assets and liabilities of Falcon Dairy Holdings Limited and its subsidiary as at the date of acquisition were as follows:

	Fair value recognised on acquisition
	USD'000
Property, plant and equipment	83,390
Right-of-use assets	106,034
Intangible assets	4
Biological assets	26,433
Long-term prepayments	789
Cash and bank balances	7,983
Trade receivables	1,889
Prepayments, deposits and other receivables	651
Inventories	5,540
Trade payables	(3,665)
Other payables and accruals	(2,861)
Lease liabilities	(95,541)
Total identifiable net assets at fair value	130,646
Gain on bargain purchase recognised in other income and gains	7,163
Satisfied by cash	123,483

The acquisition resulted in a gain on bargain purchase because the consideration of the acquisition was lower than the fair value of identifiable net assets of the business, as the business was in a loss-making position at the time of the acquisition.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition.

The Group incurred transaction costs of USD1,706,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the consolidated statement of profit or loss.

An analysis of the cash flows in respect of the acquisition is as follows:

	USD'000
Cash consideration	(123,483)
Cash and bank balances acquired	7,983
Net outflow of cash and cash equivalents included in cash flows from investing activities	(115,500)
Transaction costs of the acquisition included in cash flows from operating activities	(1,706)
	(117,206)

Since the acquisition, Falcon Dairy Holdings Limited contributed USD14,693,000 to the Group's revenue and caused a loss of USD3,041,000 to the consolidated profit for the year ended 31 December 2021.

Had the business combination completed at the beginning of 2021, the Group's revenue and profit would be USD539,871,000 and USD101,490,000, respectively.

37. Financial Information of the Company

(A) Share capital and reserves of the Company

	Share Capital	Fair value Reserve of Financial Assets at fair value Through other Comprehensive Income	Share Option Reserve	Retained Profits	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Balance at 1 January 2019	313,300	–	2,503	(7,728)	308,075
Issuance of shares	130,467	–	–	–	130,467
Loss for the year	–	–	–	(762)	(762)
Other comprehensive loss for the year	–	(6,298)	–	–	(6,298)
Total comprehensive loss for the year	–	(6,298)	–	(762)	(7,060)
Equity-settled share option arrangements	–	–	919	–	919
At 31 December 2019 and 1 January 2020	443,767	(6,298)	3,422	(8,490)	432,401
Issuance of shares	40,790	–	–	–	40,790
Capital reduction	(176,055)	–	–	104,435	(71,620)
Loss for the year	–	–	–	(96,710)	(96,710)
Total comprehensive loss for the year	–	–	–	(96,710)	(96,710)
Equity-settled share option arrangements	–	–	1,246	–	1,246
At 31 December 2020 and 1 January 2021	308,502	(6,298)	4,668	(765)	306,107
Loss for the year	–	–	–	(1,686)	(1,686)
Other comprehensive loss for the year	–	(417)	–	–	(417)
Total comprehensive loss for the year	–	(417)	–	(1,686)	(2,103)
Equity-settled share option arrangements	–	–	12,491	–	12,491
At 31 December 2021 and 1 January 2022	308,502	(6,715)	17,159	(2,451)	316,495
Loss for the period	–	–	–	(9,419)	(9,419)
Other comprehensive loss for the period	–	–	–	–	–
Total comprehensive loss for the period	–	–	–	(9,419)	(9,419)
Equity-settled share option arrangements	–	–	5,695	–	5,695
At 30 June 2022	308,502	(6,715)	22,854	(11,870)	312,771

38. Notes to the Consolidated Statements of Cash Flows

(a) Major non-cash transactions

During the year of 2019, the Group had non-cash additions to share capital and deductions to merger reserve of USD130,467,000 and USD130,467,000, respectively, in respect of issuing shares to its immediate holding company in exchange for a 100% equity interest in AIH2 Pte Ltd.

During the year of 2020, the Group had non-cash additions to share capital and deductions to merger reserve of USD26,430,000 and USD26,430,000, respectively, in respect of issuing shares to its immediate holding company in exchange for a 100% equity interest in Dongying AustAsia Beef Co., Ltd ("DYAB"). In addition, the Group had non-cash additions to share capital and deductions of loans from a shareholder of USD14,360,000 and USD14,360,000, respectively, in respect of issuing shares to its holding company in exchange for the decrease in the Group's loans from a shareholder in AIH2. Thirdly, the Group had non-cash deductions of share capital and investments in subsidiaries of USD71,620,000 and USD71,620,000, respectively, in respect of disposal of certain subsidiaries. Moreover, the Group had non-cash additions to retained profits and deductions of share capital of USD104,435,000 and USD104,435,000, respectively, in respect of offsetting against the accumulated losses.

(b) Changes in liabilities arising from financing activities

2019

	Interest-bearing bank borrowings	Lease liabilities	Loans from a shareholder	Other payables and accruals – interest payable
	USD'000	*USD'000*	*USD'000*	*USD'000*
At 1 January 2019	226,114	45,369	4,100	853
Changes from financing cash flows	(22,665)	(4,516)	4,000	–
New leases	–	4,639	–	–
Foreign exchange movement	9,044	(768)	–	–
Interest paid	–	–	–	(17,032)
Interest expense	–	3,188	–	16,885
At 31 December 2019	212,493	47,912	8,100	706

2020

	Interest-bearing bank borrowings	Lease liabilities	Loans from a shareholder	Other payables and accruals – interest payable
	USD'000	*USD'000*	*USD'000*	*USD'000*
At 1 January 2020	212,493	47,912	8,100	706
Changes from financing cash flows	(21,599)	(4,989)	31,800	–
New leases	–	1,096	–	–
Foreign exchange movement	(1,163)	3,231	–	7
Decrease from disposal of subsidiaries	(47,090)	(103)	–	(120)
Transfer to share capital	–	–	(14,360)	–
Interest paid	–	–	–	(11,908)
Interest expense	–	3,188	–	11,786
At 31 December 2020	142,641	50,335	25,540	471

2021

	Interest-bearing bank borrowings	Lease liabilities	Loans from a shareholder	Other payables and accruals – interest payable
	USD'000	*USD'000*	*USD'000*	*USD'000*
At 1 January 2021	142,641	50,335	25,540	471
Changes from financing cash flows	119,925	(14,379)	–	–
Acquisition of subsidiaries	–	95,541	–	–
New leases	–	11,272	–	–
Foreign exchange movement	5,412	2,286	–	30
Interest paid	–	–	–	(13,932)
Interest expense	–	6,101	–	15,534
At 31 December 2021	267,978	151,156	25,540	2,103

Six months ended 30 June 2021

	Interest-bearing bank borrowings	Lease liabilities	Loans from a shareholder	Other payables and accruals – interest payable
	USD'000 (unaudited)	*USD'000 (unaudited)*	*USD'000 (unaudited)*	*USD'000 (unaudited)*
At 1 January 2021	142,641	50,335	25,540	471
Changes from financing cash flows	104,974	(5,839)	–	–
New leases	–	6,329	–	–
Foreign exchange movement	1,891	508	–	(9)
Interest paid	–	–	–	(8,673)
Interest expense	–	1,838	–	8,515
At 30 June 2021	249,506	53,171	25,540	304

Six months ended 30 June 2022

	Interest-bearing bank borrowings	Lease liabilities	Loans from a shareholder	Other payables and accruals
	USD'000	*USD'000*	*USD'000*	*USD'000*
At 1 January 2022	267,978	151,156	25,540	2,103
Changes from financing cash flows	18,622	(6,528)	–	(289)
New leases	–	25,062	–	–
Accruals	–	–	–	2,200
Foreign exchange movement	(10,187)	(7,840)	–	76
Interest paid	–	–	–	(10,589)
Interest expense	–	4,297	–	9,949
At 30 June 2022	276,413	166,147	25,540	3,450

(c) Total cash outflow for leases

The total cash outflow for leases included in the statements of cash flows is as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Within operating activities	2,187	1,550	1,733	1,453	1,933
Within financing activities	4,516	4,989	14,379	5,839	6,528
Total	6,703	6,539	16,112	7,292	8,461

39. Contingent Liabilities

No significant contingent liabilities were noted within the Group during the Relevant Periods.

40. Pledge of Assets

Details of the Group's assets pledged for the Group's bank loans are included in Note 31 to the Historical Financial Information.

41. Commitments

The Group had the following capital commitments at the end of each of the Relevant Periods:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Capital commitments in respect of:				
Construction in progress	1,983	2,075	9,971	34,372
Purchase of property, plant and equipment	1,107	–	–	–
	3,090	2,075	9,971	34,372

42. Related Party Transactions

(a) *The Group had the following transactions with related parties during the Relevant Periods:*

		Year ended 31 December			Six months ended 30 June	
	Notes	**2019**	**2020**	**2021**	**2021**	**2022**
		USD'000	*USD'000*	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Entity controlled by the shareholder which has significant influence over the Company						
Sales of products	*(i)*	–	6,884	18,592	8,359	10,254
Fellow subsidiaries and holding company						
Purchase of inventories	*(ii)*	21,885	23,186	19,750	6,668	11,854
Management fee expense		234	443	389	213	279
Interest expense		329	952	1,447	700	615
Rental of premises		30	–	–	–	–
Recruitment expenses		–	–	142	–	–
Other services		98	150	–	–	–
Interest income		205	255	348	173	173

Notes:

(i) The sales of products to the entity controlled by the shareholder which has significant influence over the Company were made according to the published prices and conditions offered to the major customers of the Group.

(ii) The purchase of inventories mainly related to feed. The transactions have been conducted in accordance with market prices agreed between the parties.

(b) *Compensation of key management personnel of the Group:*

	Year ended 31 December			Six months ended 30June	
	2019	**2020**	**2021**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Short term employee benefits	835	1,982	2,799	882	1,238
Share-based payment expenses	143	3,692	15,026	3,979	6,332
Total compensation paid to key management personnel	978	5,674	17,825	4,861	7,570

Further details of directors' and the chief executive's emoluments are included in Note 9 to the Historical Financial Information.

(c) Outstanding balances with related parties

Details of the Group's outstanding balances with related parties as at the end of each of the Relevant Periods are disclosed in notes 23, 26,27 and 29 to the Historical Financial Information.

43. Financial Instruments By Category

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

As at 31 December 2019

Financial assets

	Financial assets at fair value through profit or loss	**Financial assets at fair value through other comprehensive income**	**Financial assets at amortised cost**	**Total**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Cash and cash equivalents	–	–	51,204	51,204
Pledged deposits	–	–	3,435	3,435
Trade receivables	–	–	52,050	52,050
Deposits and other receivables	–	–	822	822
Long-term receivable	–	–	13,151	13,151
Derivative financial instruments	25	–	–	25
Equity investment designated at fair value through other comprehensive income	–	1,233	–	1,233
Total	25	1,233	120,662	121,920

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	USD'000	*USD'000*	*USD'000*
Trade payables	–	85,987	85,987
Financial liabilities included in other payables and accruals	–	15,478	15,478
Loans from a shareholder	–	8,100	8,100
Interest-bearing bank borrowings	–	212,493	212,493
Lease liabilities	–	47,912	47,912
Derivative financial instruments	2,855	–	2,855
Total	2,855	369,970	372,825

As at 31 December 2020

Financial assets

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	USD'000	*USD'000*	*USD'000*
Cash and cash equivalents	–	43,317	43,317
Pledged deposits	–	1,622	1,622
Trade receivables	–	36,094	36,094
Deposits and other receivables	–	165	165
Long-term receivable	–	16,407	16,407
Equity investment designated at fair value through other comprehensive income	1,233	–	1,233
Total	1,233	97,605	98,838

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	USD'000	*USD'000*	*USD'000*
Trade payables	–	54,942	54,942
Financial liabilities included in other payables and accruals	–	21,362	21,362
Loans from a shareholder	–	25,540	25,540
Interest-bearing bank borrowings	–	142,641	142,641
Lease liabilities	–	50,335	50,335
Derivative financial instruments	3,947	–	3,947
Total	3,947	294,820	298,767

As at 31 December 2021

Financial assets

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	USD'000	*USD'000*	*USD'000*
Cash and cash equivalents	–	22,145	22,145
Pledged deposits	–	1,103	1,103
Trade receivables	–	46,600	46,600
Deposits and other receivables	–	416	416
Long-term receivable	–	11,855	11,855
Equity investment designated at fair value through other comprehensive income	816	–	816
Total	816	82,119	82,935

Financial liabilities

	Financial liabilities at fair value through other comprehensive income	Financial liabilities at amortised cost	Total
	USD'000	*USD'000*	*USD'000*
Trade payables	–	79,640	79,640
Financial liabilities included in other payables and accruals	–	36,891	36,891
Loans from a shareholder	–	25,540	25,540
Interest-bearing bank borrowings	–	267,978	267,978
Lease Liabilities	–	151,156	151,156
Total	–	561,205	561,205

As at 30 June 2022

Financial assets

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	USD'000	*USD'000*	*USD'000*
Cash and cash equivalents	–	47,155	47,155
Pledged deposits	–	885	885
Trade receivables	–	41,273	41,273
Deposits and other receivables	–	1,046	1,046
Long-term receivable	–	12,028	12,028
Equity investment designated at fair value through other comprehensive income	816	–	816
Total	816	102,387	103,203

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	USD'000	*USD'000*	*USD'000*
Trade payables	–	75,345	75,345
Financial liabilities included in other payables and accruals	–	41,711	41,711
Loans from a shareholder	–	25,540	25,540
Interest-bearing bank borrowings	–	276,413	276,413
Lease liabilities	–	166,147	166,147
Total	–	585,156	585,156

44. Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, pledged deposits, trade receivables, deposits and other receivables, derivative financial instruments, trade payables, other payables, short-term interest-bearing bank borrowings and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of long-term receivable, long-term interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for long-term receivable, interest-bearing bank and other borrowings as at the year end were assessed to be insignificant.

The fair values of unlisted equity investment designated at fair value through other comprehensive income have been estimated using the market approach. The market approach indicates the value of a company based on a comparison of the valuation subject to comparable publicly traded companies and transactions in the similar field of business. This may be done by looking at key value indicators, such as multiples to earnings, book value, sales and cash flows, after taking into consideration relevant adjustment factors to reflect the differences between the subject company and the comparable companies. The Group has adopted the Guideline Company Method ("GCM") in deciding the fair value of its investment in FUAA. GCM indicates that the market value of the shares of a business by comparing it to publicly traded companies in similar lines of business. The conditions and prospects of companies in similar lines of business depend on common factors such as overall demand for their products and services. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of each reporting period.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with good credit ratings. Derivative financial instruments, including interest rate swaps and forward currency contracts are measured using quoted prices from financial institutions with which the interest rate swaps and forward currency contracts are entered into. The carrying amounts of interest rate swaps and forward currency contracts are the same as their fair values.

Below is a summary of significant unobservable inputs to the valuation of biological assets and other financial asset which was measured in level 3 as at 31 December 2019, 2020 and 2021 and 30 June 2022:

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurements
Heifers and calves	The fair value of 14 months old heifers and calves is determined by reference to the local market selling price.	Estimated local market selling price of 14 months old heifers was RMB19,000, RMB19,000, RMB19,500 and RMB21,000 per head as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.	An increase in the estimated local market selling price used would result in increase in the fair value measurement of the heifers and calves, and vice versa.
	For age groups of heifers and calves younger than 14 months old, incremental costs required to raise the cows from their respective age at the end of each of the Relevant Periods to 14 months were subtracted.	Incremental costs for the age younger than 14 months old ranged from RMB8,947 to RMB15,840, RMB8,947 to RMB15,451, RMB8,453 to RMB16,882 and RMB9,562 to RMB18,243 per head as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.	An increase in the incremental costs used would result in a decrease in the fair value measurement of heifers and calves younger than 14 months, and vice versa.

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurements
	For heifers and calves between 14 and 24 months, incremental costs required to raise the heifers from 14 months to their respective age at the end of each of Relevant Periods were added.	Incremental costs for heifers and calves between 14 and 24 months were RMB13,038, RMB12,885, RMB12,976 and RMB13,029 per head as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.	An increase in the incremental costs used would result in an increase in the fair value measurement of heifers and calves between 14 and 24 months, and vice versa.
Milkable cows	The fair values of milkable cows are determined using the multi-period excess earnings method, which is based on the discounted future cash flows to be generated by such milkable cows.	The estimated feed costs per kg of raw milk used in the valuation process ranged from RMB1.80 to RMB2.30, RMB1.90 to RMB2.40, RMB2.20 to RMB2.70 and RMB2.22 to RMB2.94 as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.	An increase in the estimated feed costs per kg of raw milk used would result in a decrease in the fair value measurement of the milkable cows, and vice versa.
		A milkable cow could have as many as six lactation cycles. Estimated average daily milk yield per head at each lactation cycle ranges from 26kg to 40kg, 27kg to 38kg, 25kg to 38kg and 26kg to 38kg as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.	An increase in the estimated average daily milk yield per head used would result in an increase in the fair value measurement of milkable cows, and vice versa.

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurements
		Estimated average prices of raw milk per kg ranged from RMB4.00 to RMB4.60, RMB4.10 to RMB4.80, RMB4.54 to RMB5.26 and RMB4.56 to RMB5.29 as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.	An increase in the estimated average price of raw milk would result in an increase in the fair value measurement of milkable cows, and vice versa.
		Discount rate for estimated future cash flows used was 12%, 12%, 12% and 12% as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.	An increase in the estimated discount rate used would result in a decrease in the fair value measurement of milkable cows and vice versa.
Beef cattle	The fair value of newborn beef cattle and mature beef cattle were determined by reference to the local market selling price.	Estimated local market selling prices of newborn beef cattle per head ranged from RMB1,500 to RMB2,700, RMB2,000 to RMB2,930, RMB2,000 to RMB2,930 and RMB2,000 to RMB2,930 as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.	An increase in the estimated local market selling prices of newborn beef cattle used would result in an increase in the fair value measurement of beef cattle, and vice versa.

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurements
		Estimated local market selling prices of mature beef cattle per head ranged from RMB17,820 to RMB20,800, RMB19,320 to RMB25,360, RMB21,076 to RMB29,145 and RMB22,355 to RMB29,880 as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.	
	The fair value of immature beef cattle was determined by reference to the local market selling price of newborn beef cattle and mature beef cattle, adjusted by the estimated incremental daily gain in weights at the end of each of Relevent Periods.	The average daily gain in weight per head ranged from 0.90kg to 1.50kg, 0.92kg to 1.37kg, 0.87kg to 1.43kg and 0.87kg to 1.43kg as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.	An increase in the average daily gain in weight per head would result in the increase in the fair value measurement of the immature beef cattle, and vice versa.
Equity investment designated at fair value through other comprehensive income	The fair value of equity investment designated at fair value through other comprehensive income is estimated using the market approach. Fair value is estimated based on value of comparable listed companies and discounted for lack of liquity.	Lack of marketability discount ("LoMD")	An increase in the LoMD would result in a decrease in the fair value measurement of the unquoted equity investment. If the LoMD increases by 1%, the estimated fair value of equity investment will decrease by USD15,000, USD15,000, USD9,000 and USD9,000 as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.

Fair value hierarchy

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

Assets:

As at 31 December 2019

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
Equity investment designated at fair value through other comprehensive income	–	–	1,233	1,233
Derivative financial instruments	–	25	–	25
Biological assets – current	–	–	24,178	24,178
Biological assets – non current	–	–	361,829	361,829
	–	25	387,240	387,265

As at 31 December 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
Equity investment designated at fair value through other comprehensive income	–	–	1,233	1,233
Biological assets – current	–	–	33,524	33,524
Biological assets – non current	–	–	386,302	386,302
	–	–	421,059	421,059

As at 31 December 2021

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
Equity investment designated at fair value through other comprehensive income	–	–	816	816
Biological assets – current	–	–	49,217	49,217
Biological assets – non current	–	–	477,697	477,697
	–	–	527,730	527,730

As at 30 June 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Equity investment designated at fair value through other comprehensive income	–	–	816	816
Biological assets – current	–	–	62,865	62,865
Biological assets – non current	–	–	497,633	497,633
	–	–	561,314	561,314

Liabilities:

As at 31 December 2019

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Derivative financial instruments	–	2,855	–	2,855

As at 31 December 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Derivative financial instruments	–	3,947	–	3,947

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both assets and liabilities.

The movements in fair value measurements of biological assets within Level 3 during the Relevant Periods are disclosed in Note 22.

45. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, other than derivatives, comprise bank loans, other interest-bearing loans, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally interest rate swaps and forward currency contracts. The purpose is to manage the interest rate risk and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in Note 2.4 to the Historical Financial Information.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's obligations with a floating interest rate. The Group closely monitors its interest rate risk by performing periodic reviews and evaluations of its debt portfolio and gearing ratio. The interest rates and terms of repayment of the bank loans of the Group are disclosed in Note 31 to the Historical Financial Information. The Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. In the opinion of management, the Group has no significant interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/(decrease) In basis points	Increase/(decrease) in profit before tax	Increase/(decrease) in equity*
	%	*USD'000*	*USD'000*
2019			
RMB	0.5	107	–
Indonesian Rupiah	0.5	305	–
RMB	(0.5)	(107)	–
Indonesian Rupiah	(0.5)	(305)	–
2020			
RMB	0.5	476	–
RMB	(0.5)	(476)	–
2021			
RMB	0.5	1,357	–
RMB	(0.5)	(1,357)	–

	Increase/(decrease) In basis points	Increase/(decrease) in profit before tax	Increase/(decrease) in equity*
	%	*USD'000*	*USD'000*
Six months ended 30 June 2022			
RMB	0.5	1,395	–
RMB	(0.5)	(1,395)	–

* Excluding retained profits

Foreign currency risk

The Group's exposure to foreign currency risk relates principally to the Group's subsidiaries in Mainland China, Indonesia, Singapore, Hong Kong and Malaysia where some of the transactions are denominated in United States Dollar ("USD") and Singapore Dollar ("SGD"). The functional currencies of the Group's subsidiaries in Mainland China, Indonesia, Singapore, Hong Kong and Malaysia are Chinese Renminbi ("RMB"), Indonesia Rupiah ("Rph"), SGD, Hong Kong Dollar ("HKD") and Malaysia Ringgit ("RM"), respectively.

Therefore, the fluctuations in the exchange rate could affect the Group's results of operations. The Group entered into forward currency contracts to hedge foreign currency risk arising from the Group's bank loans denominated in USD as disclosed in Note 31. In the opinion of management, the Group has no significant foreign currency risk.

The following table demonstrates the sensitivity of the Group's profit before tax (due to changes in the fair values of monetary assets and liabilities) and the Group's equity to a reasonably possible change in the USD exchange rate against the respective functional currencies of the Group's entities, with all other variables held constant.

	Increase/(decrease) in USD rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	*USD'000*	*USD'000*
2019			
If the USD weakens against the RMB	(5)	54	54
If the USD strengthens against the RMB	5	(54)	(54)
If the USD weakens against the RPH	(5)	52	52
If the USD strengthens against the RPH	5	(52)	(52)

	Increase/(decrease) in USD rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	*USD'000*	*USD'000*
If the USD weakens against the SGD	(5)	99	99
If the USD strengthens against the SGD	5	(99)	(99)
2020			
If the USD weakens against the RMB	(5)	545	545
If the USD strengthens against the RMB	5	(545)	(545)
2021			
If the USD weakens against the RMB	(5)	326	326
If the USD strengthens against the RMB	5	(326)	(326)
Six months ended 30 June 2022			
If the USD weakens against the RMB	(5)	628	628
If the USD strengthens against the RMB	5	(628)	(628)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year/period-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year/period-end staging classification at the end of each of the Relevant Periods.

As at 31 December 2019

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Trade receivables*	–	–	–	52,050	52,050
Financial assets included in prepayments, other receivables and other assets					
– Normal**	822	–	–	–	822
Long-term receivable	13,151	–	–	–	13,151
Pledged deposits					
– Not yet past due	3,435	–	–	–	3,435
Cash and cash equivalents					
– Not yet past due	51,204	–	–	–	51,204
	68,612	–	–	52,050	120,662

As at 31 December 2020

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Trade receivables*	–	–	–	36,094	36,094
Financial assets included in prepayments, other receivables and other assets					
– Normal**	165	–	–	–	165
Long-term receivable	16,407	–	–	–	16,407
Pledged deposits					
– Not yet past due	1,622	–	–	–	1,622
Cash and cash equivalents					
– Not yet past due	43,317	–	–	–	43,317
	61,511	–	–	36,094	97,605

As at 31 December 2021

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Trade receivables*	–	–	–	46,600	46,600
Financial assets included in prepayments, other receivables and other assets					
– Normal**	416	–	–	–	416
Long-term receivable	–	11,855	–	–	11,855
Pledged deposits					
– Not yet past due	1,103	–	–	–	1,103
Cash and cash equivalents					
– Not yet past due	22,145	–	–	–	22,145
	23,664	11,855	–	46,600	82,119

As at 30 June 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Trade receivables*	–	–	–	41,273	41,273
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,046	–	–	–	1,046
Long-term receivable	–	12,028	–	–	12,028
Pledged deposits					
– Not yet past due	885	–	–	–	885
Cash and cash equivalents					
– Not yet past due	47,155	–	–	–	47,155
	49,086	12,028	–	41,273	102,387

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 23 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

At the end of each of the Relevant Periods, certain concentrations arose from credit risk of the Group's trade receivables due from the Group's five largest customers as follows:

	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2021	Six months ended 30 June 2022
Customer A	34%	26%	N/A*	N/A*
Customer B	8%	14%	26%	24%
Customer C	7%	26%	26%	18%
Customer D	3%	9%	N/A*	N/A*
Customer E	3%	N/A*	N/A*	N/A*
Customer F	N/A*	6%	7%	N/A*
Customer G	N/A*	N/A*	10%	11%
Customer H	N/A*	N/A*	4%	N/A*
Customer I	N/A*	N/A*	N/A*	6%
Customer J	N/A*	N/A*	N/A*	6%
	55%	81%	73%	65%

* The corresponding trade receivables due from these customers were not the Group's largest five at the end of each of the Relevant Periods.

Concentrations of credit risk are managed by establishing credit verification procedures. Management determines that there are minimal concentrations of credit risk within the Group as the customers of the Group's trade receivables are recognised and creditworthy.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 23 to the Historical Financial Information.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of each reporting period, based on the contractual undiscounted payments, is as follows:

Group

	As at 31 December 2019			
	On demand or Less than 1 year	**1 to 5 years**	**Over 5 years**	**Total**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Lease liabilities	5,747	18,538	82,411	106,696
Interest-bearing bank borrowings	99,948	139,547	–	239,495
Loans from a shareholder	4,377	4,502	–	8,879
Trade payables	85,987	–	–	85,987
Financial liabilities included in other payables and accruals	15,478	–	–	15,478
Derivative financial instruments	996	1,859	–	2,855
	212,533	164,446	82,411	459,390

	As at 31 December 2020			
	On demand or Less than 1 year	**1 to 5 years**	**Over 5 years**	**Total**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Lease liabilities	8,237	19,335	83,740	111,312
Interest-bearing bank borrowings	123,331	87,008	–	210,339
Loans from a shareholder	3,797	25,414	–	29,211
Trade payables	54,942	–	–	54,942
Financial liabilities included in other payables and accruals	21,362	–	–	21,362
Derivative financial instruments	3,947	–	–	3,947
	215,616	131,757	83,740	431,113

	As at 31 December 2021			
	On demand or Less than 1 year	1 to 5 years	Over 5 years	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
Lease liabilities	15,313	51,932	224,527	291,772
Interest-bearing bank borrowings	80,281	229,014	–	309,295
Loans from a shareholder	8,062	21,033	–	29,095
Trade payables	79,640	–	–	79,640
Financial liabilities included in other payables and accruals	23,245	15,685	–	38,930
	206,541	317,664	224,527	748,732

	As at 30 June 2022			
	On demand or less than 1 year	1 to 5 years	Over 5 years	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
Lease liabilities	22,677	55,582	232,308	310,567
Interest-bearing bank borrowings	113,939	194,423	–	308,362
Loans from a shareholder	7,776	22,013	–	29,789
Trade payables	75,345	–	–	75,345
Financial liabilities included in other payables and accruals	28,440	14,904	–	43,344
	248,177	286,922	232,308	767,407

Interest rate benchmark reform

As at 31 December 2019, 2020, 2021 and 30 June 2022, the Group had certain loans from a shareholder and long-term receivables denominated in United States dollars. The interest rates of these instruments are based on the LIBOR with a tenor of one or six months, which will cease to be published after 30 June 2023. Replacement of the benchmark rates of these instruments from LIBOR to an RFR has yet to commence but it is expected that there will be renegotiations of terms in the future. During the transition, the Group is exposed to the following risks:

- Parties to the contract may not reach agreement in a timely manner as any changes to the contractual terms require the agreement of all parties to the contract

- Additional time may be needed for the parties to the contract to reach agreement as they may renegotiate terms which are not part of the interest rate benchmark reform (e.g., changing the credit spread of the bank borrowings due to changes in credit risk of the Group).

The information about financial instruments based on an interbank offered rate that has yet to transition to an alternative benchmark rate is as follows:

As at 31 December 2019

	Non-derivative financial assets – carrying value	Non-derivative financial liabilities – carrying value
	USD'000	*USD'000*
Long-term receivable	12,469	–
Loans from a shareholder	–	8,100

As at 31 December 2020

	Non-derivative financial assets – carrying value	Non-derivative financial liabilities – carrying value
	USD'000	*USD'000*
Long-term receivable	15,469	–
Loans from a shareholder	–	25,540

As at 31 December 2021

	Non-derivative financial assets – carrying value	Non-derivative financial liabilities – carrying value
	USD'000	*USD'000*
Long-term receivable	15,469	–
Loans from a shareholder	–	25,540

As at 30 June 2022

	Non-derivative financial assets – carrying value	Non-derivative financial liabilities – carrying value
	USD'000	*USD'000*
Long-term receivable	15,469	–
Loans from a shareholder	–	25,540

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is net debt divided by capital. Debt includes interest-bearing bank borrowings, loans from a shareholder, and lease liabilities. Capital includes equity attributable to owners of the parent. The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	USD'000	*USD'000*	*USD'000*	*USD'000*
Interest-bearing bank borrowings (current and non-current)	212,493	142,641	267,978	276,413
Loans from a shareholder	8,100	25,540	25,540	25,540
Lease liabilities (current and non-current)	47,912	50,335	151,156	166,147
Debt	268,505	218,516	444,674	468,100
Equity attributable to owners of the parent	565,548	651,669	786,192	779,511
Gearing ratio	48%	34%	57%	60%

46. Events after the Relevant Periods

There are no material subsequent events undertaken by the Company or by the Group after 30 June 2022.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to 30 June 2022.