SUSTAINING OUR STRATEGIC FOCUS

ANNUAL REPORT 2018

CONTENTS

CORPORATE PROFILE

Yamada is a major grower, manufacturer and supplier of fresh and processed agricultural products in Fujian Province, the People's Republic of China ("PRC"). Currently, our major products are processed food products which include processed mushrooms, processed vegetables and water-boiled bamboo shoots. They are sold in major cities in PRC through our well-established network under our trademarked brands, such as "旺成食品", "研食坊", and "第七庄园". They are also exported to overseas markets, mainly Japan, under our customers' brand names

OUR PRODUCTS

PROCESSED FOOD PRODUCTS

Our processed food products are manufactured from various types of fresh vegetables and semi-processed food products purchased from our suppliers. They are distributed and sold to the PRC consumers mainly through local supermarket chains in major cities under our own brands. The products are also exported to overseas markets, mainly Japan, under our customers' brand names.

有志者，事竟成

When There's a Will, There's a Way

Amidst trying conditions, our imperative is to uphold the unwavering strength of will and tenacious fortitude that will tide us through the uphill ascent towards Regrowth.

The keystone of our strategic roadmap for the path ahead will be the paving of even greater inroads with our distribution network to proliferate and further nurture our brands in the marketplace.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I would like to present the overview of the developments of Yamada Green Resources Limited ("Yamada" or the "Group") during the financial year ended 30 June 2018 ("FY2018").

YEAR IN REVIEW[1]

FY2018 carried the spillover effects of the unfortunate events that happened in the financial year ended 30 June 2017 ("FY2017") where we continue to be plagued by delays in the reconstruction works of the finance records. In this regard, the Company only convened an EGM for the proposed change of auditors to Foo Kon Tan LLP ("FKT") in August 2018. FKT was then commenced audit work for FY2017 and FY2018. The Group recorded decrease in revenue for both our Self-Cultivation business and Processed Food Products business in FY2018. As a result of the above, group revenue for FY2018 fell to RMB107.1 million compared to RMB224.1 million in FY2017.

Revenue from the operations of our Self-Cultivated Products segment comprising edible fungi, bamboo trees and bamboo shoots and eucalyptus were RMB10.1 million, representing 9.4% of the total revenue, a straight fall from RMB95.8 million FY2017, or 42.7% of the total revenue. The decrease attributed mainly to the disposal of all the leases to moso bamboo plantations of gross land area measuring approximately 129,696 mu during the financial year due to plant diseases and insect infestation.

Sales from our processed food segment also decreased from RMB128.3 million in FY2017 to RMB97.0 million in FY2018 due to lower sales order from overseas customers.

Gross profit for the year was RMB1.8 million while for FY2017 we incurred a gross loss of RMB172.6 million. Gross profit margin was 1.7% for the period in review compared the loss in FY2017.

In late August 2018, it came to the Board's attention that Sanming Shansheng Forestry Co., Ltd. (三明山盛林业有限公司) and Nanping Lijiashan Forestry Co., Ltd (南平市李家山林业有限公司), both wholly-owned subsidiaries of the Company, had in August 2017 disposed of all their leases to moso bamboo plantations (gross land area measuring approximately 129,696 mu) in Jiangle County and Pucheng County, in Fujian Province, PRC (the "Disposal"). The disposal was not brought to the Board's attention previously and was made without the Board's approval. The Board had, on the recommendation of the Audit Committee, appointed FKT to conduct the due diligence investigation into the Disposal.

The due diligence investigation team from FKT had in September 2018 conducted field trips in the PRC for the Disposal investigation together with the Company's PRC and Singapore legal counsels.

[1] *Figures in the Year in Review are based on the reconstructed financial statements for FY2017 and the first 2 months of FY2018 following the Fire Incident, to the best of the understanding of the Management, baring completeness and accuracy and reliability.*

CHAIRMAN'S STATEMENT

OUTLOOK AND STRATEGY

The market conditions in the PRC is full of uncertainties which was mainly due to the trade war between the PRC and the United States of America couple with the impending global tightening monetary policy, resulting the slow down or even downward trend of PRC economy conditions. This will affect the demand of our products in the domestic market and increase challenges on our expansion into overseas markets. As such, the Group will be vigilant in our operations while keeping an eye for business developments.

CONCLUSION

The series of unforeseen and unprecedented challenges one after the other led us through a trying period and saw us pitching in all our efforts to persevere under the circumstances. While we catch our breaths in keeping up with all the hurdles at hand, I sincerely wish to extend my deepest appreciation to our shareholders, directors, management and staff as well as all our stakeholders for your hard work, kind understanding and for placing your faith in us. We shall call upon this unified strength to lead us forward as we strive to surmount the difficulties, working towards our journey of recovery and growth.

CHEN QIUHAI
Executive Chairman and Chief Executive Officer.

主席致辞

尊敬的各位股东，

在此，我谨代表山田绿色资源有限公司（以下简称山田）董事会，向各位汇报截至2018年6月30日财政年度（“2018财年”）的发展概况。

年度回顾[1]

因为2017财年期间发生的事件产生的连锁效应，在2018财年我们继续受到财务文件重建工作延迟的困扰。基于上述原因，集团直至2018年8月份才通过特别股东大会的批准，正式委任Foo Kon Tan LLP（“FKT”）进行2017财年及2018财年的审计。

较之于2017财年2亿2410万元，集团2018财年种植业务部分和食品加工业务部分的收入都减少了，这导致集团2018财年的收入减少至1亿710万元。

包括食用菌、毛竹、竹笋和桉树等种植产品部分的运营产生的收入直接从2017财年9580万元，占总收入的42.7%，下降到2018财年的1010万元，只占总收入的9.4%。收入减少的主要原因是财年期间因虫害问题处置了总面积约129，696亩的毛竹林租赁地。

由于海外客户订单减少，加工食品部分产生的销售额也从2017财年1亿2830万元减少至2018财年9700万元。

虽然销售收入下降，较之于2017财年的毛损1亿7260万元，集团在2018财年则记录了毛利180万元。因此，较之于2017财年的毛亏，当期财年产生了1.7%的毛利率。

展望

2018年8月末，董事会接获通知集团的两家子公司，即三明山盛林业有限公司和南平市李家山林业有限公司已经于2017年8月处置了在中国福建省将乐县和浦城县租赁的所有毛竹林（合计毛竹林总面积约为129，696亩）（简称处置）。该处置

年度回顾中的数据是根据火灾之后尽管理层所知保证其完整性、准确性和可靠性的2017财年重建财务报表。

之前没有引起董事会的注意，而且处置未获得董事会批准。有鉴于此，董事会委任FKT进行了尽职调查。FKT的尽职调查团队与2018年9月，在公司委任的中国和新加坡的法律顾问陪同下，到将乐县和浦城县进行实地调查。

总结

由于中美两国之间的贸易战和即将到来的全球紧缩货币政策，中国的市场充满不确定性，导致中国经济呈放缓甚至下滑趋势。这将影响我们产品在国内市场的需求，增加我们扩大海外市场的挑战。因此，集团在关注业务发展的同时，也会对影响集团经营的因素提高警惕。

一系列不可预见和前所未有的挑战一个接一个引导我们度过艰难的时期，让我们在这种情况下竭尽全力坚持下去。在我们努力克服眼前所有障碍的同时，我衷心感谢我们的股东、董事、管理层和员工以及所有利益相关者的辛勤工作、善意理解和对我们的信任。我们号召大家团结一致，攻坚克难，努力朝着复苏和增长的道路走下去。

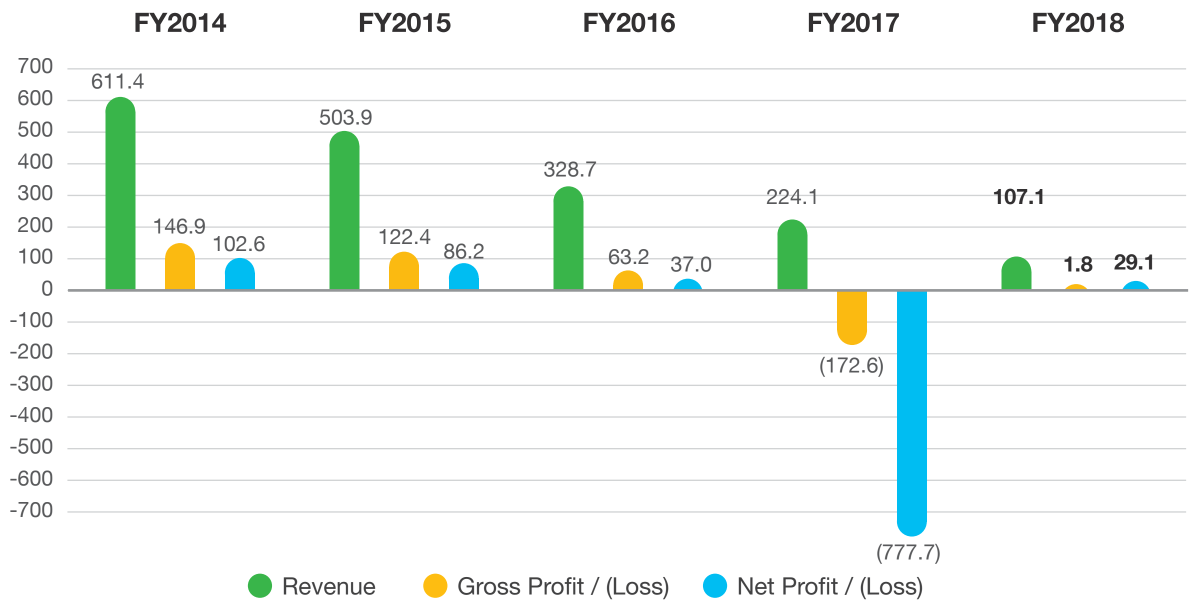
陈秋海

执行主席兼首席执行官

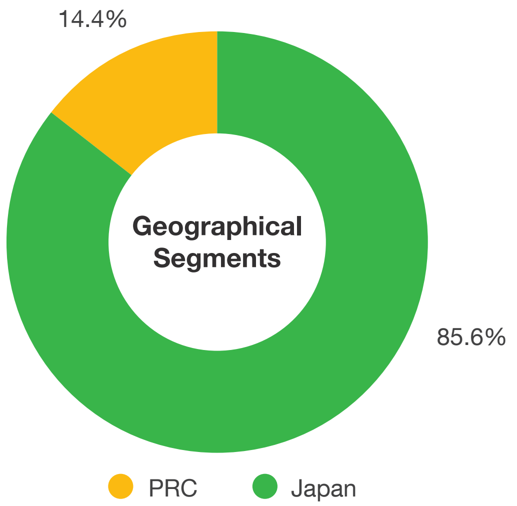
FINANCIAL HIGHLIGHTS

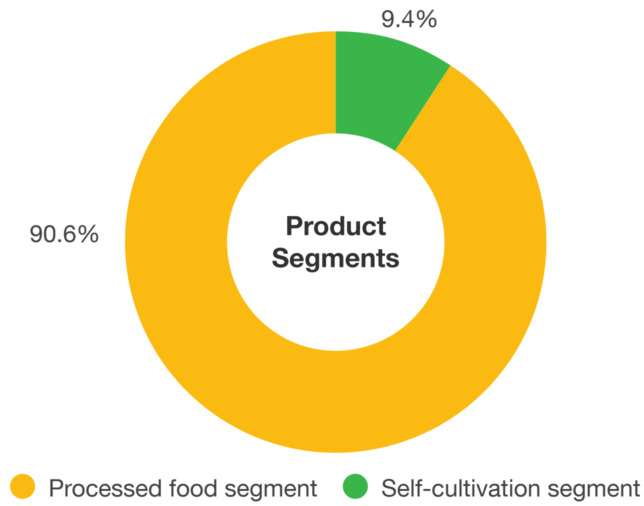
(RMB'mil)	FY2014	FY2015	FY2016	FY2017	FY2018
Revenue	611.4	503.9	328.7	224.1	**107.1**
Gross Profit / (Loss)	146.9	122.4	63.2	(172.6)	**1.8**
Gross Profit Margin (%)	24.0	24.3	19.2	N.M.	**1.7**
Net Profit / (Loss)	102.6	86.2	37.0	(777.7)	**29.1**
Net Profit Margin (%)	16.8	17.1	11.3	N.M.	**27.2**

REVENUE, GROSS PROFIT/(LOSS) AND NET PROFIT/(LOSS)



REVENUE BREAKDOWN FOR FY2018





The books and financial records of all the subsidiaries in PRC and a Hong Kong subsidiary of the Group for FY2018 were partially destroyed by an outbreak of fire on 30 August 2017. The financial statements for FY2018 was reconstructed based on available information and data from relevant sources (customers, contractors, suppliers and banks) and notarized letter of confirmations of amounts owing between the counter-parties and the China subsidiaries. Although the management believed that the method of reconstruction is the most appropriate, the Board is unable to determine the completeness of the recording of the transactions that occurred during the financial period from 1 July 2017 to 31 August 2017 for FY2018.

The Board is aware of the limitation that is being imposed in the process and, therefore, which affect the accuracy and reliability of the financial statements of the subsidiaries in the PRC within the Group and the consolidated financial statements of the Group. As such, the operations review is solely based on the best of the understanding of the management of the Group.

REVENUE

For the year ended 30 June 2018 ("FY2018"), revenue fell by 52.2% from RMB224.1 million for the year ended 30 June 2017 ("FY2017") to approximately RMB107.1 million largely due to the decrease in revenue for both of our self-cultivation and processed food products business segments.

Sales of the self-cultivated products segment was approximately RMB10.1 million, dropping 89.5% from the RMB95.8 million in FY2017, mainly due to the disposal of all the leases to our moso bamboo plantations of gross land area measuring approximately 129,696 mu (1 mu equals approximately 667 square metres) during the financial year as a result of plant diseases and insect infestation. While sales for the processed food products segment stood at approximately RMB97.0 million, dipping 24.4% from RMB128.3 million in FY2017, due to lower sales order from overseas customers.

In FY2018, revenue contribution from the self-cultivated products was 9.4% (FY2017: 42.7%) and processed food products was 90.6% (FY2017: 57.3%). Revenue from self-cultivated products consist of sales of edible fungi and eucalyptus. Meanwhile, revenue from processed food products derived from sales of processed mushrooms, processed vegetables and water-boiled bamboo shoots.

GROSS PROFIT

Resulting from the disposal of the loss making moso bamboo plantations, gross profit for the year was recorded at RMB1.8 million compared to a gross loss of RMB172.6 million in FY2017. The gross loss margin in FY2017 is 77.0% compared to a gross profit margin of 1.7% in FY2018.

SEGMENTAL REVENUE

Geographical Segments

In the financial year, sales to our domestic market in China was approximately RMB15.4 million, decreasing approximately 85.1% from RMB103.6 million in FY2017. Sales to overseas markets was approximately RMB91.7 million in FY2018 compared to RMB120.5 million in FY2017, a slight fall of 23.9%.

OPERATIONS REVIEW

FAIR VALUE GAIN FROM INVESTMENT PROPERTIES AND REFUNDS FROM TERMINATION OF UNEXPIRED PREPAID LEASES

In FY2018, the Group appointed independent valuation experts to assess the fair value of the investment properties of the Group. Following that, fair value gain on investment properties of RMB66.8 million was recognised.

We also had refunds from termination of unexpired prepaid leases of eucalyptus plantations of RMB4.4 million in FY2018.

REVALUATION GAIN FROM LEASEHOLD PROPERTIES

In FY2018, the Group appointed independent valuation experts to assess the fair value of the leasehold properties of the Group. Revaluation gain on the leasehold properties of RMB47.7 million and deferred tax expenses on the revaluation of the leasehold properties of RMB11.9 million were recognised.

In addition, a reversal of impairment loss on leasehold property of the Company amounting to RMB0.5 million was recognised in FY2018.

OTHER EXPENSES

The Group recorded investment properties written off of RMB2.1 million in FY2018 due mainly to investment properties with a total gross floor area of approximately 7,810 square metres without real estate title certificates.

The unaccountable expenses of RMB1.7 million recorded in FY2018 was attributed to the lack of supporting documents and/or available information during the reconstruction of books and records for the period from 1 July 2017 to 31 August 2017.

As a result of lower expenses and fair value gain on investment properties, the Group recorded a profit after tax of RMB29.1 million for FY2018, as compared to loss after tax of RMB777.7 million for FY2017.

FINANCIAL POSITION

The Group's non-current assets as at 30 June 2018 was RMB310.9 million, an increase of RMB39.1 million from RMB271.8 million as at 30 June 2017, mainly due to fair value gain on investment properties of RMB66.8 million and revaluation gain of leasehold property of RMB47.7 million recognised following the valuation exercise on the Group's investment properties and leasehold properties through the appointment of independent valuation experts. The increase was partially offset by the decrease in biological assets of RMB68.1 million resulting from the disposal of the moso bamboo plantations and eucalyptus plantations.

Current assets as at 30 June 2018 decreased RMB76.1 million from RMB169.4 million as at 30 June 2017 to RMB93.3 million. The decrease is largely attributable to the decrease in trade and other receivables of RMB87.0

million, which was partially offset by the increase in inventories of RMB6.8 million. The decrease in trade and other receivables was consistent with the decrease in revenue during the financial year.

Non-current liabilities increased by RMB28.0 million, from RMB8.6 million as at 30 June 2017 to RMB36.6 million as at 30 June 2018, mainly attributable to deferred tax liability derived from the revaluation of leasehold properties.

Current liabilities decreased by RMB129.9 million from RMB204.9 million as at 30 June 2017 to RMB75.0 million as at 30 June 2018. This was due to the decrease in trade and other payables of RMB133.9 million which was partially offset by the increase in short-term bank borrowings of RMB4.0 million. The decrease in trade and payables was mainly due to certain offsetting arrangement where the proceeds from the consideration sum received from the disposal of the bamboo plantations were used to settle the liabilities owing to contractors for the plantation maintenance work and provision of related processing services on the cultivation of self-cultivation business.

STATEMENT OF CASH FLOWS

For the year in review, the Group registered net cash inflow of RMB1.1 million from operating activities compared to the net cash outflow of RMB28.1 recorded in FY2017. This was mainly attributable to higher profit generated during the financial year and lower receivables and partially offset by higher inventories and lower payables.

Net cash used in investing activities was RMB0.7 million in FY2018, mainly due to capital expenditure on acquisition of property, plant and equipment.

For financing activities, there was a net cash inflow of RMB3.5 million in FY2018 that arose from the drawdown of bank borrowings. It was partially offset by repayment of bank borrowings.

Totally all inflows and outflows, the Group recorded an increase of cash and cash equivalents from RMB6.6 million as at FY2017 to RMB10.5 million as at FY2018.

BOARD OF DIRECTORS

Chen Qiuhai (陈秋海)

Executive Chairman and Chief Executive Officer

Mr Chen Qiuhai is our Executive Chairman and Chief Executive Officer ("CEO"), and the founder of our Group. He was appointed as a director of our Company on 8 February 2010. He is responsible for overseeing the overall management, operations and business strategy of our Group. Prior to this, he was a manager at Fujian Tourism Company Ltd from 1988 to 1998, and was responsible for the company's sales and liaisons. He was the chief representative of a Japanese company named Yamashiro Nosan Co., Ltd. from 1994 to 1998 on a part-time basis, where he was responsible for negotiation, procurement, inspection and coordination with exporters of food products (mainly mushrooms and bamboo shoots) from PRC (Fujian and Shandong Provinces) to Japan. Since the establishment of Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng"), he has received recognition for his contributions to Wangcheng, and was awarded the prestigious Outstanding Young Entrepreneur Award by the Communist Youth League Committee of Fujian Province in 2009. He graduated from Chinese People's Public Security University with a degree in Japanese language in 1988. Mr. Chen is also the director of Wangcheng, Nanping Yuanwang Foods Co., Ltd, Fuzhou Kangzhimei Foods Co. Ltd, and Feng Zhi Qiu International Holding Company Limited.

Lin Weibin (林卫斌)

Executive Director

Mr Lin Weibin was our Executive Director. He was appointed on 3 June 2014 and resigned on 22 January 2019. He was also the Director of Wangsheng and Yuanwang, Group Head of Production and Sales and Head of Sales Department of Wangsheng. Mr Lin Weibin joined Wangsheng as an assistant of general manager since January 2014 after more than 10 years of experience in Food and Beverage ("F&B") industry. He was mainly responsible for assisting general manager in developing and implementing the overall business strategy, overseeing the management and operation of Wangsheng. Prior to joining Wangsheng, he was a vice general manager in Longyan Zhongyuan Hotel Co., Ltd from 2006 to 2013. He was the person-in-charge of procurement and F&B department. He is proficient at Japanese language. From 1994 to 2003, he worked in three different food companies in Japan including Japan Shin-Shin Trading Co.Ltd., Japan Nissho Trading Co. Ltd and Japan Hukutaku Nittyuu Trading Co. Ltd. During the period in the Japanese companies, he was mainly involved in development and implementation of sales and marketing plans, supervision of import and export trading, and product quality management. He graduated from Fujian Normal University in 1988 with a degree in Education. He had been a lecturer in Fujian Normal University for five years after his graduation from the university.

Chua Ser Miang (蔡斯敏)

Lead Independent Director

Mr Chua Ser Miang is our Lead Independent Director, and was appointed to our Board on 23 September 2013. He is the Chairman of the Audit and Nominating Committees and a member of the Remuneration Committee. Mr Chua currently runs his own management consultancy firm, Eastwin Capital Pte Ltd, which he set up in 2013 after spending twenty years in both the private and public sectors. Prior to this, Mr Chua was a Director of Corporate Finance at DMG & Partners Securities where he was involved in a wide range of cross border financial advisory and equity market transactions. He was also with Daiwa Securities SMBC Singapore Limited and Asia Growth Capital Advisory previously in similar roles. Mr Chua started his career with the Monetary Authority of Singapore, after graduating from the National University of Singapore with a degree in Business Administration. He is a member of the CFA Institute, USA and the Singapore Institute of Directors. Mr Chua also serves on the board of Deskera Holdings Limited as its Non-Executive Chairman.

BOARD OF DIRECTORS

Chang Feng-chang (张峰璋)

Independent Director

Mr Chang Feng-chang was appointed on 17 September 2010 as our Non-Executive Director and has been re-designated as an Independent Director on 21 August 2013. He is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. He is currently the Chief Executive Officer of Kingsley Capital International Pte. Ltd. From 2009 to 2010, he was a senior partner at Grant Thornton Zhonghua CPAs, where he oversaw the international client service, in particular assisting and advising Chinese clients on their global expansion. From 2000 to 2009, he was a partner at BDO Shanghai Zhonghua CPAs. He is also a Supervisory Board Member of Zhongde Waste Technology AG. He has been a member of the Institute of Certified Public Accountants of Taiwan since 2000, and a Certified Tax Agent since 2001. He graduated from The University of Missouri in 1994 with a Master of Science in Accounting.

Goi Kok Neng (魏国龙)

Non-Executive Director

Mr Goi Kok Neng is our Non-Executive Director and was appointed on 15 May 2013. He is a member of the Audit, Nominating and Remuneration Committees. He was the Deputy Director in charge of overseas sales of Hong Kong-listed Trigiant Group Ltd, a leading manufacturer of mobile telecommunications cables in the PRC. Prior to Trigiant, he was General Manager of Singapore-based Honjji Foods (2005) Pte Ltd from 2005 to 2009 where he was responsible for streamlining the operations. Mr Goi started his career with global frozen foods manufacturer Tee Yih Jia ("TYJ") Group in 1999 in various aspects of the business - namely sales, marketing and operations of TYJ Group's world-famous spring roll pastry and roti paratha. He is also a Non-executive Director of Serial System Ltd, a company listed on the Singapore Stock Exchange, a Director of Mandarin Food Manufacturing Pte Ltd and a Director of Abaglobe (s) Pte. Ltd..

KEY MANAGEMENT PERSONNEL

Zhou Chen (周晨) was appointed as our Chief Financial Officer on 12 January 2018 and is overall in-charge of the financial matters of our Group. He oversees our Group's financial matters and compliance with post-listing obligations. Currently, he is the Independent Director, AC Chairman and member of NC of Wuzhou International Holdings Limited which is listed on Hong Kong Stock Exchange. Prior to joining our Group, he was Chief Treasury Officer of China Graphene Group Limited which is listed on Hong Kong Stock Exchange. From 2015 to 2016, he was Chief Financial Officer of Asia Fashion Holdings Limited which is listed on the Main Board of the Singapore Exchange Securities Trading Limited. He is a fellow member of the Institute of Singapore Chartered Accountant. He graduated with an Accounting Professional Qualification from the Association of Chartered Certified Accountant (ACCA).

Liu Liping (刘立平) is appointed as Deputy General Manager on May 2018. He joined Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng") (formerly known as Fuzhou Wangcheng Foods Development Co., Ltd.) in 1998, overseeing the logistics and warehousing departments. He also served as the head of the management, production and quality inspection departments and is responsible for human resource, administrative matters and procurement of raw materials for Wangsheng. On March 2016, he was seconded to Fujian Tianwang Food Co., Ltd., an associated company of our Group, to assist and supervise the production and quality management of the Tianwang factory. Prior to joining Wangcheng, he was a supervisor at Fujian Lionscore Sport Products Co., Ltd. from 1993 to 1998. From 1990 to 1993, he was a research and development assistant in Fuzhou Pharmaceutical Factory. He graduated from East China Institute of Chemical Technology with a degree in pharmaceutical studies in 1990. He was admitted as an assistant engineer by Fuzhou Personnnel Bureau in 1992.

水无常形

Change is the only Constant

While breakthroughs of the past may serve as stepping stones to propel forward momentum, we remain cognizant of the never-ending imperative to emerge stronger Today than Yesterday. In this bid, we continuously review our business processes, revising and reworking where apt to stay ahead of the curve.

To meet the inclinations of newer generations of consumers and their evolving palates, we periodically introduce new offerings to our wide range of gastronomic delights, such as our contemporary range of dietary fibre food products. These new food offerings are also supported by salient, well-targeted marketing initiatives to enhance their visibility and appeal to today's health-conscious consumers.

GROUP STRUCTURE

Yamada Green Resources Limited

Yamada Green Resources Limited
(山田绿色资源有限公司)
(incorporated in Singapore on
8 February 2010)

100%

Fujian Wangsheng
Industrial Co., Ltd.
(福建望盛实业有限公司)
(incorporated in PRC on
14 April 1998)
Production and supplies of
processed food products.

100%

Nanping Yuanwang Foods Co., Ltd.
(南平市元旺食品有限公司)
(incorporated in PRC on
3 February 2005)
Production and supplies of
semi-processed
food products.

100%

Zhangping Fengwang Agricultural
Products Co., Ltd.
(漳平市丰旺农产品有限公司)
(incorporated in PRC on
7 October 2008)
Cultivation and supplies of
edible fungi.

100%

Fuzhou Kangzhimei Foods Co., Ltd.
(福州康之美食品有限公司)
(incorporated in PRC on
20 December 2012)
Sales of processed food
products.

100%

Nanping Lijiashan Forestry Co., Ltd.
(南平市李家山林业有限公司)
(incorporated in PRC on
23 April 2013)
Forestry management,
cultivation and sales of
edible fungi and vegetables.

100%

Zhangping Senwang Forestry
Co., Ltd.
(漳平市森旺林业有限公司)
(incorporated in PRC on
1 June 2011)
Engaging in forestry
management.

100%

Feng Zhi Qiu
International Holding
Company Limited
(丰之秋国际控股有限公司)
(Incorporated in Hong Kong
Special Administrative
Region, PRC on 22 January 2014)
Sales of processed food
products.

100%

Sanming Shansheng Forestry
Co., Ltd.
(三明山盛林业有限公司)
(incorporated in PRC on
22 July 2014)
Forestry management, cultivation
and sales of edible fungi and vegetables.

45%

Fujian Tianwang Foods Co., Ltd *
(福建省天旺食品有限公司)
(incorporated in PRC on 5 Nov 2004)
Production and supplies of processed
food products, cultivation and sales of
vegetables, and forestry management.

* *Fujian Tianwang Foods Co., Ltd has a wholly owned subsidiary named Sanming Sennong Forestry Co., Ltd.* (三明森农林业有限公司)

CORPORATE INFORMATION

BOARD OF DIRECTORS	**Chen Qiuhai** *(Executive Chairman and Chief Executive Officer)* **Chua Ser Miang** *(Lead Independent Director)* **Chang Feng-chang** *(Independent Director)* **Goi Kok Neng** *(Non-Executive Director)* **Lin Weibin** *(Executive Director) (resigned on 22 January 2019)*
AUDIT COMMITTEE	**Chang Feng-chang** *(Chairman)* **Chua Ser Miang** **Goi Kok Neng**
NOMINATING COMMITTEE	**Chua Ser Miang** *(Chairman)* **Chang Feng-chang** **Goi Kok Neng**
REMUNERATION COMMITTEE	**Chua Ser Miang** *(Chairman)* **Chang Feng-chang** **Goi Kok Neng**
REGISTERED OFFICE	7 Temasek Boulevard #43-03 Suntec Tower One Singapore 038987 (effective from 22 January 2018)
PRINCIPAL PLACE OF BUSINESS	No. 2 Dongling Road, Minhou Economic and Technological Development Zone, Ganzhe Street Minhou County, Fuzhou City, Fujian Province, The PRC
COMPANY SECRETARIES	Wong Chee Meng Lawrence (appointed on 10 January 2018) Shirley Tan Sey Liy (resigned on 9 January 2018) Chew Kok Liang (resigned on 9 January 2018)
SHARE REGISTRAR	RHT Corporate Advisory Pte. Ltd. 9 Raffles Place #29-01, Republic Plaza Tower 1 Singapore 048619
PRINCIPAL BANKERS	Oversea-Chinese Banking Corporation Limited Hong Leong Finance Limited Bank of China Limited Postal Savings Bank of China
SOLICITOR	Equity Law LLP 7 Temasek Boulevard #43-03 Suntec Tower One Singapore 038987
INDEPENDENT AUDITOR	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place #07-03, Clifford Centre Singapore 048621 Partner-in-charge: Yeo Boon Chye (with effect from the financial year ended 30 June 2017)

FINANCIAL CONTENTS

The Board of Directors (the "**Board**" or the "**Directors**") of Yamada Green Resources Limited (the "**Company**", together with its subsidiaries, the "**Group**") recognises the importance of sound corporate governance in protecting the interest of the shareholders as well as strengthening investors' confidence in the management and financial reporting of the Group. The Group is committed to ensuring and maintaining a high standard of corporate governance within the Group. Good corporate governance establishes and maintains a legal and ethical environment, which helps to safeguard the interests of the shareholders of the Group. This corporate governance report describes the corporate governance framework and practices of the Group with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**"). Unless otherwise stated, these practices were in place throughout the financial year ended 30 June 2018 ("**FY2018**").

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: ***Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.***

The Board assumes responsibility for stewardship of the Group and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders. It supervises the Management of the business and affairs of the Group, provides corporate direction, monitors managerial performance and reviews financial results of the Group. In addition, the Board is directly responsible for decision making in respect of the following matters:

a. approve the business strategies including significant acquisition and realisation of subsidiaries or assets and liabilities;

b. approve the annual budgets, major funding proposals, significant capital expenditures and investment and divestment proposals;

c. approve the Group's quarterly and full year financial results;

d. oversee the processes for risk management, financial reporting compliance and evaluate the adequacy and effectiveness of internal controls and risk management system, as may be recommended by the Audit Committee ("**AC**");

e. review the performance of the Management, approve the nominations to the Board or appointment of key management personnel, as may be recommended by the Nominating Committee ("**NC**");

f. review and endorse the framework of remuneration for the Board and key management personnel, as may be recommended by the Remuneration Committee ("**RC**");

g. review and endorse corporate policies in keeping with good corporate governance and business practice; and

h. consider sustainability issues such as environmental factors.

The Board provides shareholders with a balanced and clear assessment of the Group's performance, position and prospects on a quarterly basis. All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

Board Committees

Our Directors recognise the importance of good corporate governance and in offering high standards of accountability to our shareholders. In order to provide independent oversight and to discharge its responsibilities more efficiently, the Board has delegated certain functions to various Board Committees. The Board Committees consist of the AC, NC, and RC (collectively, "**Board Committees**"), each of which functions within clearly defined terms of reference and operating procedures which are reviewed on a regular basis. The Chairman of the respective Board Committees will report to the Board on the proceedings of the Board Committees meetings and their recommendations on the specific agendas mandated to the Board Committees by the Board.

Matters which are specifically reserved to the Board for decision-making are those involving corporate plans and budgets, material acquisitions and realisation of assets, share issuances, declaration of dividends and other returns to shareholders of the Company. The Management is responsible for day-to-day operations and administration of the Group and the Management are accountable to the Board. Clear directions have been given out to the Management that such reserved matters must be approved by the Board.

In line with the recent changes of the Companies Act, Chapter 50, all references to the Memorandum and Articles of Association will be superseded with Constitution and Regulation.

The Constitution of the Company allows a meeting of Board or Board Committee to be conducted by means of telephone conference or similar communication equipment pursuant to which all Directors participating in a meeting are able to hear each other, without a Director being in physical presence in meetings. Decisions of the Board and Board Committees may also be deliberated and determined through circular resolutions in writing.

The number of meetings held by the Board and Board Committees and attendance of Directors at the meetings for FY2018 is set out as follows:

Name of Directors	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mr Chen Qiuhai	0	0	0	0	0	0	0	0
Mr Lin Weibin	0	0	0	0	0	0	0	0
Mr Chua Ser Miang	0	0	0	0	0	0	0	0
Mr Chang Feng-chang	0	0	0	0	0	0	0	0
Mr Goi Kok Neng	0	0	0	0	0	0	0	0

Due to the Fire Incident, the Company was still in the process of reconstructing the financial books and records of the affected subsidiaries, hence no results announcement was made for the period. Notwithstanding this, the Board has held numerous informal meetings with management during the course of the financial year to discuss significant issues relating to the Group.

The Board is of the view that the contribution of each Director should not focus only on his attendance at meetings of the Board and/or Board Committees. A Director's contribution may also extend beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Group.

The Board has received relevant training to familiarise themselves with the roles and responsibilities of a Director of a public listed company in Singapore. In addition, the Directors may also attend other appropriate or relevant courses, conferences, and seminars. The Management would conduct briefings and orientation programmes to familiarise newly appointed Directors with the various businesses and operations of the Group, including site visits to the Group's plants in the People's Republic of China.

All Directors are provided with relevant information on the Company's policies, procedures, and practices relating to governance issues, including disclosures of interest in securities, dealings in Company's securities, restrictions on disclosures of price-sensitive information and disclosure of interests relating to the Group's businesses. Directors are also updated regularly on key regulatory and accounting changes at quarterly meetings. Directors and key management personnel are encouraged to undergo relevant training to enhance their skills and knowledge, especially on new laws and regulations affecting the Group's operations.

News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority (the "**ACRA**") which are relevant to the Directors are circulated to the Board. The Company Secretary would inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the external auditor updates the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

Appropriate briefing and orientation will be arranged for newly appointed Directors to familiarise them with the Group's business operation, strategic directions, director's duties and responsibilities and the corporate governance practices. They will also be given opportunities to visit the Group's operation facilities and meet the Management so as to gain a better understanding of the Group's business.

Upon appointment, a new Director will receive appropriate briefings on the Director's duties, responsibilities, disclosure duties, and statutory obligations. Newly appointed Directors will also be briefed by the Management on the business activities of the Group, governance policies, policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction involving the Company, prohibitions in dealing in the Company's securities and restrictions on disclosure of price sensitive information. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during the Board meetings.

A formal letter of appointment would be furnished to every newly-appointed Director upon their appointment explaining, among other matters, their roles, obligations, duties, and responsibilities as a member of the Board.

Board Composition and Guidance

Principle 2: ***There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.***

The Board comprises of two (2) Executive Directors, one (1) Non-Executive Director and two (2) Independent Directors. Their combined wealth and diversity of experience enable them to contribute efficiently and effectively to the strategic growth and governance of the Group.

Presently, the list of Directors is as follows:

Mr Chen Qiuhai	Executive Chairman and Chief Executive Officer ("**CEO**")
Mr Lin Weibin	Executive Director (resigned on 22 January 2019)
Mr Chua Ser Miang	Lead Independent Director
Mr Chang Feng-chang	Independent Director
Mr Goi Kok Neng	Non-Executive Director

The profiles of the Directors are set out on pages 12 and 13 of this Annual Report.

The size and composition of the Board are reviewed from time to time by the NC to ensure that the size of the Board is conducive to effective discussions and decision-making. The Board has examined its size and is of the view that the Board's size of five (5) Directors, of which two (2) are Independent Directors and one (1) is Non-Executive Director, is appropriate and effective, taking into account the nature and scope of the Group's operations.

The Board comprises persons with diverse expertise and experience in accounting, business, and management, finance, legal and risk management who as a group provide core competencies necessary to meet the Group's requirements. This balance is important in ensuring that the strategies proposed by the Management are fully discussed and examined, taking into account the long-term interests of the Group.

The independence of each Director will be reviewed on an annual basis by the NC and the Board pursuant to the definition of independence of the Code, pursuant to which, an independent director is one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company. The appointment period of each director should also be taken into consideration in determining his independence pursuant to Guideline 2.4 of the Code.

The Board, after taking into consideration the recommendation of the NC, is of the view that the two (2) Independent Directors, namely Mr Chua Ser Miang and Mr Chang Feng-chang are independent pursuant to the definition of independence of the Code and that there is a strong and independent element on the Board which is able to exercise objective judgement on corporate matters independently, in particular, from the Management, and that no individual or small group of individuals dominate the Board's decision-making process.

Further, none of Independent Directors has served on the Board beyond nine years from the date of their first appointment.

Chairman and Chief Executive Officer

Principle 3:	***There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.***

There is a clear division of responsibilities at the top level with clearly defined lines of responsibilities between the Board and executive functions of the Management of the Company.

Mr Chen Qiuhai, the founder of the Group, is the Executive Chairman and CEO of the Group. As the CEO, he oversees the business direction, long-term strategic planning and the overall management and operations of the Group. He is also responsible for, among others, the exercise of control over quantity, quality and timeliness of information flow between the Management and the Board. He, with the assistance of the Company Secretaries and/or their representative, ensures that the Board receives accurate, timely and clear information, ensures that the Board meetings are held as and when necessary and sets the Board's meeting agenda. He assists in ensuring compliance with the Group's guidelines on corporate governance and facilitating the effective contribution of Non-Executive Directors. The Directors may also, at any time, visit the Group's operations and facilities to gain a better understanding of the Group's business. If any applicable regulatory change has a material impact on the Group, the Management will brief the Directors at Board meetings.

Mr Chen Qiuhai together with the Management comprising key management personnel and general managers of each subsidiary, are responsible for the day-to-day operation of the Group.

Although the roles and responsibilities of the Chairman and the CEO are vested in Mr. Chen Qiuhai, the current composition of the Board is able to make an objective and prudent judgment of the Group's corporate affairs. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or small group of individuals exercising any considerable concentration of power or influence. Further, the AC, RC and NC are chaired by Independent Director.

In view of Mr Chen Qiuhai's concurrent appointment as the Executive Chairman and the CEO, Mr Chua Ser Miang has been appointed as Lead Independent Director of the Company pursuant to Guideline 3.3 of the Code. The Lead Independent Director will lead and co-ordinate the activities of the Independent Directors and serve as a principal liaison on Board issues between the Independent Directors and the Chairman of the Board. The Lead Independent Director is available to shareholders who have concerns for which contact through the normal channels of the Chairman, CEO, Executive Directors or Financial Controller have failed to resolve or for which such contact is inappropriate.

The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors, where necessary, and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

Board Membership

Principle 4:	***There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.***

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience, and knowledge in business, finance and management skills to enable the Board to make effective decisions.

The composition of the NC is:

Mr Chua Ser Miang	Chairman
Mr Chang Feng-chang	Member
Mr Goi Kok Neng	Member

The Lead Independent Director, Mr Chua Ser Miang, is the Chairman of the NC.

Since the majority of the members of the NC are independent, the Board is satisfied that sufficient measures have been put in place to ensure that all matters are deliberated independently and objectively by the NC. This includes that the prohibition of business to be transacted by the NC without a quorum of the meeting, of which should be formed by at least two (2) members, including at least one (1) independent director. The recommendation by the NC would be submitted for the Board's endorsement before implementation.

The key roles of the NC are:

- make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendations on the composition of the Board;
- review the Board structure, size, and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- identify and nominate candidates for the approval of the Board, determine annually whether or not a Director is independent, to fill Board vacancies as and when they arise as well as put in place plans for succession, in particular for the Chairman and the CEO;
- determine the independence of Directors on an annual basis in accordance with Guideline 2.3 and 2.4 of the Code;
- make recommendations to the Board for the continuation (or not) in services of any Director who has reached the age of seventy (70) years, if any;
- recommend Directors who are retiring by rotation to be put forward for re-election;
- decide whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations;
- recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards;
- assess the effectiveness of the Board as a whole; and
- decide on how the Board's performance may be evaluated and propose objective performance criteria.

Regulation 91 of the Constitution of the Company requires the number nearest to but not less than one-third of the Directors for the time being to retire from office by rotation and subject themselves for re-election by shareholders at the Annual General Meeting ("**AGM**") of the Company. It is also provided by Regulation 97 of the Constitution of the Company that any Director appointed during the financial year shall hold office only until the next AGM of the Company and shall then be eligible for re-election at the AGM of the Company.

The dates of initial appointment and last re-election of each current Director of the Company are set out below:

Name of Directors	Position held on the Board	Date of First Appointment	Date of Last Re-election
Mr Chen Qiuhai	Executive Chairman and CEO	8 February 2010	29 October 2014
Mr Lin Weibin (1)	Executive Director	3 June 2014	27 October 2016
Mr Chua Ser Miang	Lead Independent Director	23 September 2013	27 October 2016
Mr Chang Feng-chang	Independent Director	17 September 2010	29 October 2014
Mr Goi Kok Neng	Non-Executive Director	15 May 2013	29 October 2015

(1) Mr Lin Weibin resigned on 22 January 2019

Although the Independent Directors and Non-Executive Director hold directorships in other listed companies, the Board is of the view that such multiple listed company board representations do not hinder them from carrying out their duties as Directors. The Board believes that putting a maximum limit on the number of listed company board representation which a Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive. The NC and the Board will review the requirement to determine the maximum number of listed board representations as and when they deemed fit.

The NC is of the view that the Independent Directors and Non-Executive Director have each individually contributed their invaluable experience to the Board and given it a broader perspective on the board affairs of the Group. The NC, after taking into account the multiple board representations and principal commitments disclosed by each Independent Director and Non-Executive Director, is satisfied that each Independent and Non-Executive Director has allocated sufficient time and attention to the affairs of the Group and to adequately discharge their duties as Directors of the Company.

The Board, unless circumstance warrants, does not encourage the practice of alternate directors appointed for Directors. During FY2018, none of the Directors has put forward the appointment of any alternate director representing them in the Board.

The Board has accepted the recommendation of the NC's nomination for re-election of the retiring Directors, namely Mr Goi Kok Neng and Mr Chua Ser Miang, who have given their consent for re-election, at the forthcoming AGM of the Company. To the best knowledge, the Company is not aware of any relationships (including immediate family relationships) between the Director, Mr Chua Ser Miang, retiring at the forthcoming AGM of the Company, and other Director or 10% shareholders of the Company.

Mr Goi Kok Neng, the other Director retiring at the forthcoming AGM of the Company, is the Non-Executive Director of the Company. Mr Goi Kok Neng is the son of Mr Goi Seng Hui, the Substantial Shareholder of the Company.

Board Performance

Principle 5: ***There should be a formal assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.***

The NC reviews the criteria for evaluating the Board's performance and recommends to the Board a set of objective performance criteria focusing on enhancing long-term shareholders' value. Based on the recommendations of the NC, the Board has established a formal process for assessment of the effectiveness of the Board as a whole.

The NC evaluates the Board's performance as a whole on an annual basis based on performance criteria set out by the Board. The assessment parameters include an evaluation of the Board size and composition of the Board, the Board's independence, Board processes, Board information, Board accountability and standards of conduct of the Directors. The performance measurements ensure that the mix of skills and experience of the Directors continue to meet the needs of the Group.

The NC has recommended the adoption of the formal annual evaluation form for the individual directors and the Board Committees to further enhance the effectiveness of the Board Committees and individual directors. The Board has accepted the NC's recommendation and the formal annual evaluation form for the individual directors and Board Committees would be adopted with effect from the financial year ended 30 June 2019.

During FY2018, the NC conducted the assessment by preparing a performance evaluation questionnaire to be completed by each Director.

No external facilitator has been engaged by the Company for the purpose of evaluation of the Board during FY2018.

The NC is of the view that each individual Director contributes in different areas to the effectiveness of the Board as a whole and the success of the Group, and therefore, it would be more appropriate to assess the performance of the Board as a whole, than assessment on an individual basis or on Board Committee basis.

Notwithstanding the foregoing, the performance and contribution of each Director to the Board would be taken into consideration by the NC before putting forward their recommendation for nomination of retiring Directors at the forthcoming AGM of the Company.

Although the individual directors are not formally evaluated, the factors taken into consideration with regards to the re-nomination of Directors for FY2018 are based on their attendance and contributions made at the Board and Board Committees meetings.

Access to Information

Principle 6: ***In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.***

To assist the Board in fulfilling its responsibilities, the Management provides the Board with a management report containing complete, adequate and timely information prior to the Board meetings. The Board has separate and independent access to the Management, including the Company Secretaries and/or their representative at all times. The Company Secretaries and/or their representatives attend all Board and Board Committees meetings and assists the Board to ensure that proper procedures and all other rules and regulations applicable to the Company are complied with.

The appointment and removal of Company Secretary is subject to approval by the Board.

The Management keeps the Board informed of the Group's operations and performance through regular updates and reports as well as through separate meetings and discussions. The Management will present reports and updates on the Group's performance, financial position, prospects and other relevant information for review at the Board and Board Committee meetings.

In addition, all other relevant information on material events and transactions are circulated by electronic mail to the Directors for review and approval. The key management personnel may be invited to attend Board and Board Committee meetings to answer queries and to provide insights into its Group's operations.

Changes to regulations are closely monitored by the Management, the Directors are briefed during Board meetings and in respect of changes which have an important bearing on the Company or the Directors' disclosure obligations.

The Board and the Chairman of the respective Board Committees, whether as a group or individually, are able to seek independent professional advice as and when necessary in furtherance of their duties and responsibilities. The cost of which advice obtained from a professional firm will be borne by the Company. The appointment of such professional firm is subject to approval by the Board.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: ***There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.***

The RC comprises two (2) Independent Directors and one (1) Non-Executive Director, the majority of whom, including the Chairman of RC, are considered independent pursuant to the definition of independence of the Code.

The composition of the RC is:

Mr Chua Ser Miang	Chairman
Mr Chang Feng-chang	Member
Mr Goi Kok Neng	Member

The key roles of the RC are:

- review and recommend to the Board the remuneration packages and terms of employment of the Executive Directors and key management personnel;

- review and recommend to the Board the grant of options or share awards pursuant to long-term incentive schemes which may be set up from time to time;

- carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time; and

- ensure that all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, share options, share-based incentives and awards, and benefit-in-kind are covered.

As part of its review, the RC shall take into consideration:

- the remuneration packages should be comparable within the industry practices and norms and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual performance;

- the remuneration packages of employee related to Directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scope and levels of responsibility; and

- Principle 8 of the Code.

The RC aims to be fair and avoid rewarding poor performance and review the Group's obligation in the event of termination of the contract of service for Executive Directors and key management personnel of the Group.

The recommendations of the RC would be submitted to the Board for endorsement. The RC has full authority to engage any external professional to advise on matters relating to remunerations as and when the need arises. No individual Director shall be involved in deciding his or her own remuneration. The Company has not engaged any remuneration consultant in respect of the remuneration matters of the Group during FY2018.

Each member of the RC shall abstain from reviewing and voting any recommendation or any resolutions in respect of his or her own remuneration package or that of employees related to him or her, or any other matters concerning him or her to be deliberated by the RC, except for providing information and documents specifically requested by the RC to assist it in its deliberations.

Level and Mix of Remuneration

Principle 8: ***The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.***

In setting remuneration packages, the RC takes into consideration prevailing economic situation, pay and employment conditions within the similar industry and in comparable corporations. As part of its review, the RC ensures that the performance-related elements of remuneration form a significant part of the total remuneration package of Executive Directors and is designed to align the Directors' interests with those of shareholders and link rewards to corporate and individual performance.

The RC also reviews all matters concerning the remuneration of Non-Executive Directors to ensure that the remuneration commensurate with the contribution and responsibilities of the Non-Executive Directors.

The Non-Executive Directors and Independent Directors do not have any service contracts. They receive Directors' fees, which takes into account their level of contribution and responsibilities. The payment of Directors' fees are subject to shareholders' approval at the forthcoming AGM of the Company.

The Executive Directors do not receive Directors' fees. The remuneration of the Executive Directors and the key management personnel comprises primarily a basic salary component and a variable component which is inclusive of bonuses and other employee benefits. The Service Agreement for the Executive Chairman and the CEO is for a fixed appointment period of three (3) years with effect from 8 October 2010, the date when the Company is admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Service Agreement for the Executive Chairman and the CEO was renewed on 7 October 2016 for another period of three (3) years under the same terms and conditions unless otherwise terminated by either party giving not less than six months' notice in writing to the other.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedy against the Executive Directors in the event of such breach of fiduciary duties.

Disclosure on Remuneration

Principle 9: ***Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors, key management personnel and their performance.***

A breakdown of the remuneration of the Directors and key management personnel (who are not Directors), in percentage terms showing the level and mix, for FY2018 falling within the bands is set out below:

Remuneration Band and Name	Salary	Bonus	Directors' Fees	Allowances and Other Benefits	Total
Directors	%	%	%	%	%
Below S$250,000					
Mr Chen Qiuhai	94	3	–	3	100
Mr Lin Weibin[(1)]	84	7	–	9	100
Mr Chua Ser Miang	–	–	100	–	100
Mr Chang Feng-chang	–	–	100	–	100
Mr Goi Kok Neng	–	–	100	–	100
Key Management Personnel					
Below S$250,000					
Mr Zhou Chen[(2)]	92	–	–	8	100
Ms Chew Kim Kuan[(3)]	90	–	–	10	100
Mr Chen Qiufa[(4)]	94	–	–	6	100
Mr Cai Jiqiang[(5)]	100	–	–	–	100
Ms Zhang Liwen	88	–	–	12	100
Mr Zheng Renmei[(6)]	87	–	–	13	100

(1) Mr Lin Weibin resigned on 22 January 2019
(2) Mr Zhou Chen was appointed on 12 January 2018
(3) Ms Chew Kim Kuan resigned on 12 January 2018
(4) Mr Chen Qiufa resigned on 27 April 2018
(5) Mr Cai Jiqiang resigned on 26 July 2018
(6) Mr Zheng Renmei was appointed on 27 April 2018

Save for Mr Chen Qiufa, there is no employee of the Group who is an immediate family member of any Director or the CEO and whose remuneration has exceeded S$50,000 for FY2018.

For FY2018, the aggregate total remuneration to the key management personnel (who are not the Directors or the CEO) amounted to approximately RMB1,046,000.

For FY2018, there were no termination, retirement or post-employment benefits granted to the Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service.

The Board believes that the full disclosure on the remuneration of Directors and key management personnel is not in the best interests of the Group in light of the remuneration confidentiality and the avoidance of poaching of Directors and key management personnel of the Group.

The RC has reviewed and approved the remuneration packages of the Directors and key management personnel, having regard to their contributions as well as the financial performance and commercial needs of the Group and has ensured that the Directors and key management personnel are adequately but not excessively remunerated.

The Company has existing share incentives schemes, namely Yamada Green Resources Share Option Scheme and Yamada Green Resources Performance Share Plan (the "**Schemes**") as long term incentive schemes for the Directors and employees of the Group, whose services are vital to the Group's success. Both Schemes will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.

Information relating to the Schemes is set out on pages 38 and 39 of this Annual Report.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: ***The Board should present a balanced and understandable assessment of the company's performance, position and prospects.***

The Board is accountable to the shareholders for the Group's operations, financial position and performance. In this respect, the Board endeavours to ensure that the annual audited financial statements and quarterly and full year financial results announcements of the Group present a balanced and clear assessment of the Group's operations, performance, financial position and prospects. The Board embraces openness and transparency in the conduct of the Group's affairs, whilst preserving the commercial interests of the Group.

The Management provides the Board on a quarterly basis or as and when at the request of Board, financial reports and other information on the Group's operations, performance, financial position and prospects for their effective monitoring and decision-making.

The Directors may seek independent professional advice and receive relevant training wherever applicable so as to maintain continuing standards and vigilance of the Board.

Compliance with Rule 707

To comply with Rule 707 of the Listing Manual of the SGX-ST, the Company has sought an extension of time to hold the Company's AGM for FY2018 to SGX-ST as follows:

Date of Application	Application to Hold AGM by	Financial Year
28 March 2018	31 December 2018	FY2018
31 October 2018	28 February 2019	FY2018

A time extension application was submitted on 28 March 2018 due to additional time required for (i) appointment of the successor audit firm to replace BDO Singapore as the auditors of the Group and seek shareholders' approval for the proposed changes of auditors in an extraordinary general meeting ("**EGM**"), and (ii) completion of the audit of the FY2018 results following the appointment. Further details are contained in the announcement dated 29 March 2018.

On 24 July 2018, the Company announced that it proposed to change its auditors from BDO Singapore to Foo Kon Tan LLP ("**FKT**"). In this regard, the Company convened an EGM for the proposed change of auditors on 8 August 2018 and the shareholders of the Company approved the appointment of FKT as auditors of the Group during the EGM. Consequently, FKT was only able to commence audit work sometime in August 2018.

As stated in the Company's announcement dated 21 August 2018, it was brought to the Board's attention that Sanming Shansheng Forestry Co., Ltd. (三明山盛林业有限公司) and Nanping Lijiashan Forestry Co., Ltd (南平市李家山林业有限公司), both wholly-owned subsidiaries of the Company, had in August 2017 disposed of all their leases to moso bamboo plantations (gross land area measuring approximately 129,696 mu[1]) in Jiangle County and Pucheng County, in Fujian Province, People's Republic of China ("**PRC**") (the "**Disposal**").

As announced on 12 September 2018, upon the review of the initial investigations by the management, the Board had, on the recommendation of the Audit Committee, appointed FKT to conduct the due diligence investigation into the Disposal.

The due diligence investigation team from FKT ("**Due Diligence Investigation Team**") had in September 2018 conducted field trips in the PRC for the Disposal investigation together with the Company's PRC and Singapore legal counsels, Allbright Law Offices and Equity Law LLC, who were appointed by the Board, along with Yuan Tai Law Offices, representing FKT.

There has been a delay in the completion of the audit of FY2018 in view of the following:

(a) the Disposal has a material impact on the financials of the Group and more work has to be undertaken by the management in the preparation of the accounts;

(b) the due diligence investigation has resulted in the management having to divide their time and attention between working with FKT towards the audit of FY2018 results and the Due Diligence Investigation Team in relation to the Disposal;

(c) the delays in performance of audit due to the designated Mid-Autumn and National Day (golden week) public holidays in China including delays in audit confirmations as counterparties were closed for the holidays; and

(d) the enlargement of the original scope of the audit of FY2018 results due to the Disposal.

Due to the reasons stated above, a supplemental time extension application was submitted on 31 October 2018. Further details are contained in the announcement dated 31 October 2018.

Risk Management and Internal Controls

Principle 11: The Board is responsible for governance of risk. The Board should ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

In view of the Fire Incident, the financial books and records of the affected subsidiaries had to be reconstructed. Management believed that the method of reconstruction is the most appropriate. However, to the extent of maintaining a sound system of risk management and internal control to safeguard shareholders' interest, the CEO and CFO acknowledge the reconstruction of financial books and records did not address any adequacy of the risk management exposure and the internal control. Nevertheless, management believed that financial statements give a true and fair view of the Group's business operations and finance in certain material respects. Further in view of the Disposal, management is also unable to provide the assurance that the Group's risk management and internal control systems in place is adequate and effective in addressing the material risks identified by the Group in its current business environment including material financial, operational, compliance and information technology risks.

For the same reasons stated above, the Board, and the AC, is unable to form any views on whether the internal control systems and risk management system of the Group in addressing financial, operational, compliance and information technology risks are adequate and effective as at 30 June 2018.

The Board will be appointing an internal auditor as soon as practicable to review the internal control processes of the Group and also to propose and implement an internal audit plan for the group. Thereafter the Board and AC will work together with the external auditors and the internal auditors and management to ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets and business.

[1] Equivalent to approximately 86,507,232 square metres based on the measurement of 1 mu: 667 square metres

The Company has not put in place a Risk Management Committee. However, the Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Directors and AC.

Generally, the risks are exposure to credit, market, liquidity, foreign currency and interest rate risks arising in the normal course of the Group's business. The Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Board will continue its risk assessment process, which is an on-going process, with a view to improving the Company's internal control system.

Information in relation to the risks arising from the Group's financial operations is disclosed in the notes to the accompanying audited financial statements on pages 108 to 113.

Audit Committee

Principle 12: ***The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.***

The AC comprises two (2) Independent Directors and one (1) Non-Executive Director, the majority of whom, including the Chairman of AC, are considered independent pursuant to the definition of independence of the Code.

The composition of the AC is:

Mr Chang Feng-chang	Chairman
Mr Chua Ser Miang	Member
Mr Goi Kok Neng	Member

None of the AC members is a former partner or director of the Company's existing auditing firm or auditing corporation within a period of twelve months commencing on the date of his/her ceasing to be partner of the auditing firm or a director of the auditing corporation; and in any case, a person has any financial interest in the auditing firm or auditing corporation.

The AC shall also monitor proposed changes in accounting policies, reviews internal audit functions and discuss the accounting implications of major transactions. In addition, the AC shall advise the Board regarding the adequacy and the effectiveness of the Group's internal controls and risk management system and the contents and presentation of reports.

The Board considers that the members of the AC are appropriately qualified to fulfill their responsibilities as the members bring with them invaluable managerial and professional expertise in the financial, legal and industry domain.

The AC's duties is to perform the following functions:

- review the financial and operating results and accounting policies;
- review the effectiveness and adequacy of internal accounting and financial control procedures;
- review the audit plans of the internal auditors and external auditors and evaluates their overall effectiveness through regular meetings with each group of internal auditors and external auditors;
- evaluate the adequacy and effectiveness of the risk management system and internal control systems of the Group, including financial, operational, compliance and information technology controls, by reviewing written reports from the internal auditors and external auditors, and the Management's responses and actions to correct any deficiencies;

- review the quarterly and annual financial statements and results announcements and the external auditor's report before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual of the SGX-ST and any other relevant statutory or regulatory requirements;

- ensure co-ordination between the external auditors and the Management, and review the co-operation given by the Company's officers to the external auditors and discuss problems and concerns, if any, arising from the interim and final audits, and any other matters which the auditors may wish to discuss (without the presence of the Management, where necessary);

- review and discuss with the external auditors and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

- review and evaluate the independence and performance of the external auditors and to consider their appointment, remuneration and re-appointment;

- review interested person transactions to ensure that they are on normal commercial terms and will not be prejudicial to the interests of the Company or its minority shareholders; review potential conflicts of interest;

- review the key financial risk areas, with a view to providing independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNet;

- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

- review arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and

- generally undertake such other functions and duties as may be required by the legislation, regulations or the Listing Manual of the SGX-ST, or by such amendments as may be made thereto from time to time.

The AC has full access to and co-operation of the Management and external auditors. The AC also has the discretion to invite any Director and key management personnel to attend AC meetings. The AC has adequate resources to enable it to discharge its responsibilities properly. The external auditors have unrestricted access to the AC. The external auditors report directly to the AC in respect of their findings and recommendations for improvements within the Group.

The AC has targeted to meet with the external auditors without the presence of the Management, annually. The AC reviews the findings from the external auditors and the assistance given to the external auditors by the Management. During FY2018, the AC has not met with external auditors of the Company, Messrs Foo Kon Tan LLP ("FKT") without the presence of Management as FKT was only appointed on 8 August 2018.

The AC is kept abreast with changes to accounting standards and issues which have a direct impact on financial statements through attendance at seminars and/or briefings delivered by the Management or external auditors.

The external auditors, during their course of external audit, will evaluate the effectiveness and adequacy of the Group's internal controls and report to the AC, together with their recommendations for improvements on material weakness and non-compliance of the Group's internal controls.

The breakdown of fees paid in total for audit and non-audit fees services for FY2018 is disclosed in the notes to the accompanying audited financial statements on page 99.

The AC, having reviewed the scope and value of non-audit services provided by the external auditors, which comprise due diligence services, is satisfied that the nature and extent of such services will not prejudice and affect the independence and objectivity of the external auditors of the Company, Messrs Foo Kon Tan LLP.

The AC will undertake a review of the scope of services provided by the external auditors, the independence and the objectivity of the external auditors on annual basis. Messrs Foo Kon Tan LLP, the external auditors of the Company, has confirmed that they are a Public Accounting Firm registered with ACRA and provided confirmation of their independence to the AC. The AC had assessed the external auditors based on factors such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group, the size and complexity of the Group's audit. Accordingly, the AC is satisfied that Rule 712 of the Listing Manual of the SGX-ST is complied with and has recommended to the Board the nomination of Messrs Foo Kon Tan LLP for re-appointment as auditors at the forthcoming AGM of the Company.

The Company has complied with Listing Rule 715 as the Company and its subsidiaries are audited by Foo Kon Tan LLP (the "Group Auditors") for consolidation purposes. Group Auditors as auditors of the Company is responsible for the performance of the audit of the Group and for issuing an auditor's report for the Group that is appropriate in the circumstance. The auditing standards do not allow the Group Auditors in its auditor's report to refer to a component auditor (or the auditors of the subsidiaries of the Group) unless required by law or regulations.

In July 2010, the Singapore Exchange Limited and Accounting and Corporate Regulatory Authority had launched the "Guidance to Audit Committees on Evaluation of Quality of Work Performed by External Auditors" which aims to facilitate the AC in evaluating the external auditors. Accordingly, the AC had evaluated the performance of the external auditors based on the key indicators of audit quality set out in the guidance.

The AC had reviewed, approved and implemented a Whistle Blowing Policy which provides well-defined and accessible channels in the Group through which employees of the Group may, in confidence, raise concerns about possible improprieties in the matter of financial reporting or other matters within the Group. The policy includes arrangements for an independent investigation and appropriate follow-up of such matters. Details of the policy and arrangements have been made available to the employees. The AC reported that there was no report received through the whistle-blowing mechanism during FY2018.

The AC had reviewed the Company's key financial risk areas and noted that apart from the exchange rate differences, the Group has not entered into any financial contracts which will give rise to financial risks.

Each member of the AC shall abstain from reviewing and voting any recommendation or any resolutions in relation to matters concerning him or her to be deliberated by the AC, if any, except for providing information and documents specifically requested by the AC to assist it in its deliberations.

The AC has explicit authority to investigate any matter within its terms of reference. The AC has, within its terms of reference, the authority to obtain independent professional advice at the Company's expense as and when the need arises in furtherance of their duties and responsibilities.

Internal Audit

Principle 13: ***The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.***

The Group recognises its responsibilities for maintaining a system of internal control processes to safeguard the shareholders' investment and the Group's assets and business. However, the draft internal audit report for the financial year ended 30 June 2017 was destroyed in the Fire Incident.

In view of the Fire Incident resulting in the destruction of the financial books and records of the affected subsidiaries as well as the Disposal, the Board will be appointing an internal auditor as soon as practicable to review the internal control processes of the Group and also to propose and implement an internal audit plan for the group. Once available, the internal auditors' report will be directed to the AC Chairman. The AC will oversee and monitor the implementation of the proposals in the internal auditors' report.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: ***Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.***

The Company does not practise selective disclosure. In line with the continuous obligations of the Company under the SGX-ST Listing Manual and the Companies Act, Chapter 50, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet.

Shareholders are informed of general meetings through the announcement released to the SGXNet and notices contained in the Annual Report or circulars sent to all shareholders. These notices are also advertised in a national newspaper. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings.

In accordance with the Constitution of the Company, a shareholder may appoint not more than two (2) proxies to attend and vote in his or her stead at a general meeting. All shareholders are allowed to vote in person or by proxy. Central Provident Fund ("**CPF**") investors may attend general meetings as observers provided they have registered to do so with CPF Approved Nominees within the time frame specified. The Company's Constitution does not include the nominee or custodial services to appoint more than two proxies.

On 3 January 2016, the legislation was amended, among other things, to allow certain members, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchase shares on behalf of the CPF investors.

Communication with Shareholders

Principle 15: ***Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.***

The Company believes that a high standard of disclosure is the key to raise the level of corporate governance and the level of shareholders' confidence towards the Group. The quarterly financial statements, full-year financial statements and news releases are published via SGXNet. The major development of the Group's activities is also disseminated via SGXNet.

The Company does not practice selective disclosure. Price-sensitive information is publicly released and financial statements and annual reports or circulars are announced or issued within the mandatory period.

The annual reports or circulars will be disseminated to every shareholder of the Company prior to the general meeting. The notice of the general meeting is advertised in a major newspaper and released via SGXNet.

The essential information of the Group is available on the Company's website at http://www.yamada-green.com pursuant to which shareholders could access to, *inter alia*, corporate announcements, press releases and the latest financial statements disclosed by the Company via SGXNet.

The Company currently does not have any formal fixed dividend policy. The Company may declare a final dividend for shareholders' approval in a general meeting but no dividend or distribution shall be declared in excess of the amount recommended by the Directors. The Directors may also from time to time declare a dividend or other distribution. The declaration and payment of dividends will be determined at the sole discretion of the Directors, and will depend upon the Group's operating results, financial conditions, other cash requirements including capital expenditures, the terms of the borrowing arrangements (if any), and other factors deemed relevant by the Directors.

Conduct of Shareholder Meetings

Principle 16: ***Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.***

The shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. Notice of the general meeting is dispatched to shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. The Company welcomes the views of the shareholders on matters concerning the Group and encourages shareholders' participation at general meetings.

Each item of special business appeared on the notice of the general meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions on each distinctive issue are proposed at general meetings for shareholders' approval.

The Chairman of the AC, NC, and RC of the Company are usually available at general meetings to address questions from the shareholders. The external auditors of the Company will also be present to address any relevant queries in relation to the conduct of audit and auditors' report by the shareholders during general meetings.

The Company shall adhere to the requirements of the Code where all resolutions are to be voted by poll for general meetings held on or after 1 August 2015. The detailed voting result of each of the resolutions is announced by the chairman of the meeting at the general meeting. The voting result for the total numbers of votes cast for or against each resolution during the poll will be announced via SGXNet after the market close.

The Company will make available minutes of general meetings to the shareholders of the Company upon their request.

The Group understands the increasing global attention towards issues of environmental protection and social responsibility. In this respect, the Group continues its commitment towards sustainable development of processed food products, including mushrooms and vegetables as part of the Group's corporate social responsibility. The Group has embarked on voluntarily sustainability reporting on an annual basis as an integral part of good corporate governance. The practice of sustainability reporting has thus improved stakeholders communications by providing an additional reporting dimension beyond the financial performance of the Group.

DEALINGS IN SECURITIES

The Group has adopted its own Internal Compliance Code on Dealing in Securities by setting out regulations with regard to dealings in the Company's securities by its Directors and officers, that is modelled, with some modifications, pursuant to Rule 1207(19) of the Listing Manual of the SGX-ST. The Group's Internal Compliance Code on Dealing in Securities provides guidance for Directors and officers on their dealings in the Company's securities.

The Group's Internal Compliance Code on dealing in securities prohibits the Directors and officers from dealing in the Company's securities during specific period, pursuant to which, they are advised not to deal in the Company's securities during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full-year financial statements and ending on the release date of the announcement of the Company's financial statements on the SGX-ST.

In addition, the Company, Directors, and officers are expected to observe insider trading laws at all times including when they are in possession of unpublished price-sensitive information of the Group during the permitted trading period. They are also discouraged from dealing in the Company's shares on short term consideration.

INTERESTED PERSON TRANSACTIONS

The Company does not have a general mandate from shareholders for interested person transactions. Nevertheless, the Company has established internal control procedures to ensure any transaction entered into with interested persons are properly reviewed and approved by the AC with a view to ensuring transactions conducted at arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

There were no interested person transactions entered into between the Group and any of its interested persons defined under Chapter 9 of the Listing Manual of the SGX-ST for FY2018.

MATERIAL CONTRACTS

Save for those material contracts disclosed in the financial statements and on announcements via SGXNet, there were no any other material contracts entered into by the Company or any of its subsidiaries, involving the interests of the CEO, Director or controlling shareholder of the Company during FY2018.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (the "**CSR**") plays an essential role in the long-term success of our business. It is important that we align our interests with that of the communities in which we operate in order to gain the support of the local communities and government agencies. We believe that our initiatives and emphasis on returning to the communities and looking after the welfare of our staff have translated into goodwill for our Group, contributing to high employee retention rate and positive staff morale.

Environmental Policy

We share our customers' commitment to the protection of our environment and we believe in the importance of caring for our planet and encouraging others to play their part. Being one of the leading companies involving in agricultural business, we recognize our obligation and commitment to create a better living environment for our current and next generation.

Commitment to Sustainable Development

Our Directors recognise the importance of being a responsible steward of the land we manage. With this objective, the Company has established a CSR policy which includes the review of the following areas of the Group's activities:

(a) to review and recommend the Group's policy with regards to CSR issues;

(b) to review the Group's environmental policies and practices;

(c) to review the social impact of the Group's business practices in the communities that the Group operates in;

(d) to review and recommend policies and practices with regard to key stakeholders (employees, business partners, customers, suppliers,); and

(e) to review and recommend policies and practices with regard to regulators.

Core Values of the CSR Framework

The Company aims to be recognised as an organisation that is transparent and ethical in all its dealings as well as making a positive contribution to the communities in which it operates. We are committed to being a deeply responsible company in the communities with the following core values in all aspects of the work, including the fulfilment of the social responsibilities, toward achieving sustainable development:

- Clear direction, strong leadership and open communication;
- Customer focus;
- Equality, fairness and transparency;
- Development of positive working relationships with others; and
- Respect for people.

Toward Sustainability Strategies

The Company will seek to achieve corporate and social objectives by focusing on four strategic areas:

Good Relations - adopting an employee relations strategy to enhance management and employee interactions and to promote work-life balance and health among employees.

Community Impact - encouraging staff to be involved in projects in support of the wider community.

Fair Trade - providing farmers decent working conditions and fair terms of trade for farmers so as to maintain local sustainability.

Environment - developing environmental management practices that minimise adverse impact on the environment.

We remain continually committed with the CSR, which is being integral to the Group's overall business strategies and operations, and benefits delivered to the Company and its stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others.

The directors are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 June 2018.

In the opinion of the directors,

(a) the accompanying financial statements of the Company and of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2018 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors of the Company in office at the date of this statement are as follows:

Chen Qiuhai (Executive Chairman and Chief Executive Officer)
Chang Feng-chang (Lead independent director)
Chua Ser Miang (Independent director)
Goi Kok Neng (Non-executive director)

Directors' interests

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50, particulars of interests of the directors who held office at the end of the financial year in the shares or debentures of the Company and its related corporations are as follows:

	Number of ordinary shares			
	Holdings registered in the name of director		**Holdings in which director is deemed to have an interest**	
The Company -	As at	**As at**	As at	**As at**
Yamada Green Resources Limited	01.07.2017	**30.06.2018**	01.07.2017	**30.06.2018**
Chen Qiuhai	–	**–**	62,931,015	**62,391,015**
Chang Feng-chang	–	**–**	270,000	**270,000**

By virtue of the provisions of Section 7 of the Singapore Companies Act, Cap. 50, Chen Qiuhai is deemed to have interests in all of the subsidiaries of the Company at the beginning and at the end of the financial year.

There are no changes to the above shareholdings as at 21 July 2018.

Directors' interests (Cont'd)

Share option scheme

At an Extraordinary General Meeting of the Company held on 29 April 2011, the shareholders approved the Yamada Green Resources Employee Share Option (the "Scheme") and Yamada Green Resources Performance Share Plan (the "Plan"). The Scheme and the Plan are administered by the Company's Remuneration Committee, or such other committee comprising Directors of the Company duly authorised and appointed by the board of directors to administer the Scheme and the Plan (the "Committee").

The principal features of the Scheme and the Plan are described below.

The Scheme

Under the Scheme,

- the executive directors and employees of the Group are eligible to participate in the Scheme. Executive directors and employees who are also controlling shareholders or their associates are not eligible to participate in the Scheme;

- the selection of, and the actual number of new ordinary shares to be offered under the Scheme to participants of the Scheme will be determined by the Committee, which will take into account of criteria such as employee's rank, performance, years of service and potential for future development, and contribution to the success and development of the Group;

- the Company has the flexibility to grant options at the subscription prices (i) at the market price of a share at the time of grant; and/or (ii) at an upfront discount of no more than 20% discount to the market price of a share at the time of grant;

- options granted with the subscription price set at or above the market price shall only be exercisable, in whole or in part, by a participant after the first anniversary of the date of offer of that option and in accordance with the vesting period and the conditions (if any) to be determined by the Committee on the date of offer of the relevant options;

- options granted with the subscription price set at a discount to the market price shall only be exercisable, in whole or in part, by a participant after the second anniversary of the date of offer of that option and in accordance with the vesting period and the conditions (if any) to be determined by the Committee on the date of offer of the relevant options; and

- provided always that all options shall be exercised before the fifth anniversary of the relevant date of offer of the option, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void.

The Plan

Under the Plan,

- awards given to a particular employee will be determined at the discretion of the Committee, who will take into account of factors such as the selected employee's capability, scope of responsibility, skill and vulnerability to leaving the employment of the Group;

- the Committee may also set specific criteria and performance targets for each of its business units, taking into account of factors such as (i) the Company's and the Group's business goals and directions for each financial year; (ii) the selected employee's actual job scope and responsibilities; and (iii) the prevailing economic conditions;

Directors' interests (Cont'd)

Share option scheme (Cont'd)

The Plan (Cont'd)

- the selection of an employee and the number of shares which are the subject of each award to be granted to an employee in accordance with the Plan shall be determined by the Committee, which shall take into account criteria such as the selected employee's rank, job performance, years of service and potential for future development, contribution to the success and development of the Group and the extent of effort required to achieve the performance target within the performance period;

- the Committee shall have absolute discretion to decide whether a person who is participating in the Plan shall be eligible to participate in any other share option scheme or share award scheme implemented by the Company or any other company within the Group;

- new shares allotted and issued on the release of an award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank pari passu with other existing shares then in issue; and

- the "aggregate market price" of the shares to be paid to a selected employee in lieu of allotment or transfer, shall be calculated in accordance with the following formula:-

  A = B x C

  Where:-

  A is the aggregate market price of the shares to be paid to the selected employee in lieu of all or some of the shares to be issued or transferred upon the release of an award;

  B is the market price of each share; and

  C is such number of to be issued or transferred to a selected employee upon the release of an award in accordance with the rules of the Plan.

- the aggregate number of shares to be issued pursuant to the Scheme and the Plan granted on any date, when added to the number of shares issued and/or issuable under the scheme or such other share-based incentive plans of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued shares of the Company (excluding treasury shares) on the day preceding that date.

The Scheme and the Plan will continue in operation, for a maximum duration of 10 years commencing from its adoption by shareholders on 29 April 2011.

Share options

No options were granted during the financial year to take up unissued shares of the Company or any subsidiary.

No shares were issued during the financial year to which this report relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiary.

There were no unissued shares of the Company under option at the end of the financial year.

Audit committee

The Audit Committee at the end of the financial year comprises the following members:

Chang Feng-chang (Chairman)
Chua Ser Miang
Goi Kok Neng

All members of the Audit Committee are non-executive directors.

The Audit Committee performs the functions set out in Section 201B (5) of the Singapore Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

(i) overall scope of the external audit and the assistance given by the Company's officers to the auditors. It met with the Company's external auditor to discuss the results of their respective examinations;

(ii) the audit plan of the Company's independent auditor for the statutory audit;

(iii) the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2018 as well as the independent auditor's report thereon;

(iv) met with the external auditor, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

(v) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vi) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(vii) reviewed the nature and extent of non-audit services provided by the external auditor;

(viii) recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor and reviewed the scope and results of the audit;

(ix) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and

(x) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Board of Directors are in the process of commissioning an independent internal control review pending the review of the Audit Committee.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the Corporate Governance Report.

In appointing our auditors for the Company and its subsidiaries, the directors have complied with Rules 712 and 715 of the SGX Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

Other information required by the SGX-ST

Material information

Apart from the Service Agreement between a director and the Company, there is no material contract to which the Company or any of its subsidiaries, is a party which involve directors' interests subsisted or have been entered into during the financial year ended 30 June 2018.

Interested person transactions

There was no interested person transaction as defined in Chapter 9 of the SGX-ST Listing Manual conducted during the financial year except as disclosed under "Interested Person Transactions" in the "Statement of Corporate Governance" section of the annual report and on Note 29 to the financial statements.

On behalf of the Directors

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CHEN QIUHAI

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CHANG FENG-CHANG

Dated: 30 January 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Yamada Green Resources Limited

Report on the Audit of the Financial Statements

We were engaged to audit the financial statements of Yamada Green Resources Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Disclaimer of Opinion of the Group

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Opinion of the Company

In our opinion, the statement of financial position of the Company is prepared, in all material respects, in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act").

Basis for Disclaimer of Opinion

The Group

1. Complete set of books and records of the China subsidiaries and a Hong Kong subsidiary

As reported in the 2017 Annual Report, where we expressed a disclaimer on the Group's financial statements due to the limitation of scope arising from the manner in which the finance books and records were reconstructed and reproduced.

As fully explained in the 2017 Annual Report, the books and records were reconstructed and reproduced on the basis of available information and data from relevant sources (customers, contractors, suppliers and banks) and notarised letter of confirmations of amounts owing between the counter-parties and the China subsidiaries. We understand that there were cash transactions involved for sales made and services rendered by third parties. The manner in which the reproduced financial statements were reconstructed, management of the Group believed the basis of preparation is most appropriate.

For the financial year ended 30 June 2018 ("FY2018"), there were some uncertainties and material impact on the financial statements. The first two months of FY2018 were reconstructed on the same basis.

For the period from 1 September 2017 to 30 June 2018, there were proper books and records maintained in so far as to account and reflect the occurrence of transactions during this period. Because of the offsetting arrangement, the deed of offset of certain receivables and most of the payables, management of the China subsidiaries continued to notarise before the PRC lawyers with facts on the transactions and the balances which remained outstanding as at 30 June 2018.

Our audit procedures, in so far as we were able to perform, relate mainly to the following:

- verified the supporting documents in photocopy obtained from third parties for the underlying transactions and balances that were reconstructed;

- physical site visits to all banks where we obtained bank confirmations and printed copy of bank statements provided by the banks directly to us;

- assessed and evaluated management experts like the independent professional valuers for the valuation of property, plant and equipment and investment properties as well as the use of legal counsel to obtain notarised letter with counter-parties;

- obtained confirmation of balances and transactions directly from customers, suppliers and contractors for selected balances to cross check with the notarised confirmation which include the facts of the receivables and payables; and

Basis for Disclaimer of Opinion (Cont'd)

1. Complete set of books and records of the China subsidiaries and a Hong Kong subsidiary (Cont'd)

- conducted interview with certain suppliers, certain contractors and customers (including overseas customers) as to transactions entered into and the balances owing as at the reporting date.

During the reconstruction of the books and records, the directors of the Group also relied upon the documents provided by their counter-parties including the reprinting of bank advices and the bank statements from the banks for all the relevant periods, namely for the period from 1 July 2017 to 31 August 2017. Certain book entries were made based on available information from the counter-parties known to the management of the China subsidiaries, in particular, the off-setting of accounts between the China subsidiaries and counter-parties who acts as customer as well as supplier for the supply of mushrooms and bamboo shoots. The legal counsel of the China subsidiaries performed certain authentication procedures to formalise the indebtedness. Certain cash transactions made with the counter-parties and offsetting arrangements were also accounted for as a basis of recognising cash sales generated and provision of services rendered by third parties.

Based on the matters referred to in the foregoing paragraphs, we were unable to determine the completeness and accuracy of the recording of the transactions that occurred during the financial year ended 30 June 2018 and balances as of the reporting date. Though there were limited alternative audit procedures as mentioned above that can be carried out, we were unable to satisfy the extent of audit evidence being gathered to ensure that there were sufficient appropriate audit evidence due to the destruction of documents. However, in the opinion of the Board of Directors of the Company ("the Board") who considered that the manner in which the assets were being determined and the liabilities assumed were duly accounted for has been appropriately prepared and the Board reiterates the fact that they were not aware of any irregularities found or known to them other than matters reported herein regarding the books and records being maintained by the China subsidiaries and the Hong Kong subsidiary.

The Board believes that, in so far as all known debtors and all known creditors are concerned, the amount owing to or by the China subsidiaries and the Hong Kong subsidiary have been reasonably resolved. Primarily, the deed of offset of certain receivables and most of the payables of the China subsidiaries were notarised before the PRC lawyers with facts on the transactions and balances remained outstanding as of the reporting date. There were no known pending legal matters as to the debts owing to or by the China subsidiaries whether before the Court in the PRC or by means of mediation process.

All assets were either impaired in full or reduced to their carrying amounts to reflect the recoverable amount of the assets that remained in the books as at the reporting date or were written off in profit or loss in the financial year ended 30 June 2018 as disclosed in the financial statements.

2. Opening balances

As fully explained in the 2017 Annual Report, because of the manner in which the 2017 books were reconstructed and reproduced, in so far as to the opening balances of the financial figures for the financial year ended 30 June 2017 to be carried and brought forward in the books, we were not able to ascertain the completeness and reliability of the information. There are no possible alternative procedures that can be performed to obtain sufficient appropriate audit evidence due to the limitations placed on the scope of our work.

3. Financial assets and financial liabilities, and revenue and loss for the year

As fully explained in the 2017 Annual Report, the manner in which information was obtained and the way in which the reconstruction of books and records were prepared and the extent of documents and information gathered and the reliance on available information from counter-parties on off-setting arrangements for receivables and payables, and cash transactions involved in certain China subsidiaries with their third parties, to reproduce the financial statements, the Board is aware of the limitations that are being imposed in the process and, therefore, which affect the accuracy and the reliability of the financial statements of the China subsidiaries within the Group and the consolidated financial statements of the Group.

In the case of processed food products, including mushrooms, and vegetables and convenience food products (mainly konjac-based), there were certain transactions being offset and agreed between the parties i.e. the sales and purchases were made from the same counter-parties who acts as supplier and customer. There were also cash transactions entered as well. We understand that certain documents supporting these transactions were provided by the counter-parties. These transactions for known sales made and known purchases made totalled RMB 403,600 and RMB Nil for the financial year ended 30 June 2018 respectively.

Basis for Disclaimer of Opinion (Cont'd)

3. Financial assets and financial liabilities, and revenue and loss for the year (Cont'd)

In respect to trade payables as of the reporting date, management of the China subsidiaries through its legal counsel obtained the notarised letters from the suppliers to confirm the supplies and payments made during the year, and the closing balance at the reporting date. As shown in Note 20 to the financial statements, as at 30 June 2018, included in trade and other payables was an amount of RMB 29,349,000 where management of the China subsidiaries could not provide any information as to the nature of these liabilities.

The Group reported the revenue and the cost of sales for the financial year under review to be RMB 107,101,000 and RMB 105,265,000 respectively. On the basis of information and explanation as described above, we were unable to ascertain the veracity of the sales and cost of sales and impact on the profit for the financial year ended 30 June 2018.

On the basis as described above, in so far as the financial assets and financial liabilities of the respective China subsidiaries were concerned, we were unable to ascertain the completeness and accuracy of such balances.

4. Unaccountable expenses

As shown in Note 24(d) to the financial statements, the management of the Group charged unaccountable expenses of RMB 1,675,000 to consolidated profit or loss for which there were no supporting documents and/or available information. There were no appropriate audit evidence regarding these unaccountable expenses and we were not able to perform alternative procedures due to the limitation of scope. Consequently, we were unable to determine the appropriateness of these adjustments as reported in the consolidated profit or loss for the financial year ended 30 June 2018.

5. Land use rights

As at the date of reporting, there was a land use right with a carrying amount of RMB 947,000 (Note 6) in relation to the parcel of land located at No. 2 Shengfeng Road, Liantang Town, Pucheng County, Nanping City, Fujian Province in the PRC where the grant of the leases for the two buildings may be subject to certain restrictions as to the intended use.

6. Internal controls and corporate governance

There was no internal audit performed for the financial year ended 30 June 2018. In view of the Fire Incident and the lack of corporate governance in reporting and communicating, and the matters described above, we were unable to evaluate whether the Company and the Group had operated within the appropriate internal control and corporate governance frameworks which may have, in certain extent, a pervasive effect, if any, on the financial statements.

As of the date of this report, the Board is still in the process of commissioning an independent internal control review.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and Singapore Financial Reporting Standards ("FRSs"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

The management and directors draw attention to the books and records for the financial period 1 July 2017 to 31 August 2017, the financial year ended 30 June 2017 as well as the prior years, that were burnt due to the Fire Incident. An assessment made by the police and fire bureau confirmed and certified that the fire was a normal incident.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Group.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

Report made by BDO LLP to Minister of Finance (of Singapore) ("MOF")

As fully explained in the 2017 Annual Report, BDO LLP had, on 25 September 2017, informed the Board that it had made a confidential report to the MOF under Section 207(9A) of the Act on 21 September 2017.

As of the date of this report, there is no further development noted.

Opening balance of biological assets

In so far as the opening balance for biological assets were concerned, the impact of the split accounting regarding the biological assets and prepayments had been dealt with when the biological assets were disposed of during the financial year ended 30 June 2018.

The engagement partner on the audit resulting in this independent auditor's report is Yeo Boon Chye.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 30 January 2019

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2018

	Note	The Company 30 June 2018 RMB'000	The Company 30 June 2017 RMB'000	The Group 30 June 2018 RMB'000	The Group 30 June 2017 RMB'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	**8,395**	7,974	**71,179**	25,375
Biological assets	5	**–**	–	**–**	68,117
Land use rights	6	**–**	–	**22,931**	23,473
Intangible assets	7	**–**	–	**34**	–
Investment properties	8	**–**	–	**173,352**	108,820
Investments in subsidiaries	9	**149,762**	149,762	**–**	–
Investments in associates	10	**–**	–	**43,423**	43,989
Prepayments	11	**–**	–	**–**	–
Long term deposit	12	**–**	–	**–**	–
Deferred tax assets	13	**–**	–	**–**	2,005
		158,157	157,736	**310,919**	271,779
Current Assets					
Biological assets	5	**–**	–	**–**	–
Inventories	14	**–**	–	**27,819**	20,988
Trade and other receivables	15	**154,077**	153,215	**54,820**	141,775
Prepayments	16	**126**	18	**126**	18
Cash and bank balances	17	**370**	2,131	**10,540**	6,628
		154,573	155,364	**93,305**	169,409
Total assets		**312,730**	313,100	**404,224**	441,188
EQUITY					
Capital and Reserves					
Share capital	18	**322,210**	322,210	**322,210**	322,210
Share-based payment reserve	19(a)	**2,016**	2,016	**2,016**	2,016
Statutory reserve	19(b)	**–**	–	**71,135**	71,135
Revaluation reserve	19(c)	**–**	–	**35,775**	–
Accumulated losses		**(23,695)**	(19,358)	**(138,503)**	(167,639)
Total equity attributable to owners of the Company		**300,531**	304,868	**292,633**	227,722
LIABILITIES					
Non-Current Liabilities					
Bank borrowings	21	**4,509**	4,843	**4,509**	4,843
Deferred tax liabilities	13	**–**	–	**32,126**	3,711
		4,509	4,843	**36,635**	8,554
Current Liabilities					
Trade and other payables	20	**7,312**	3,009	**70,557**	204,449
Bank borrowings	21	**378**	380	**4,378**	380
Current income tax payable		**–**	–	**21**	83
		7,690	3,389	**74,956**	204,912
Total liabilities		**12,199**	8,232	**111,591**	213,466
Total equity and liabilities		**312,730**	313,100	**404,224**	441,188

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2018

The Group	Note	**Year ended 30 June 2018 RMB'000**	Year ended 30 June 2017 RMB'000
Revenue	22	**107,101**	224,072
Cost of sales		**(105,265)**	(396,703)
Gross profit/(loss)		**1,836**	(172,631)
Other operating income	23	**5,218**	4,724
Fair value gain on investment properties	8	**66,815**	–
Refunds from termination of unexpired prepaid leases of eucalyptus plantations	11	**4,390**	–
Loss from changes in fair value of biological assets	5	**–**	(99,229)
Reversal of impairment loss on leasehold property	4(d)	**532**	–
Impairment loss on leasehold property	4(d)	**–**	(924)
Selling and distribution expenses	24(a)	**(2,511)**	(6,698)
Administrative expenses	24(b)	**(23,440)**	(24,025)
Other operating expenses	24(c)	**(484)**	(2,100)
Investment properties written off	8(c)	**(2,124)**	–
Loss on disposal of biological assets	11	**–**	(1,753)
Prepayments written off	11	**–**	(334,548)
Unaccountable expenses	24(d)	**(1,675)**	(139,774)
Finance costs	24(e)	**(261)**	(112)
Share of loss of associates	10	**(566)**	(977)
Profit/(loss) before taxation	25	**47,730**	(778,047)
Taxation	26	**(18,594)**	348
Total profit/(loss) for the year		**29,136**	(777,699)
Other comprehensive income after tax			
Items that will never be reclassified subsequently to profit or loss:			
Revaluation of property, plant and equipment - leasehold properties	24(f)	**35,775**	–
Total comprehensive income/(expense) for the year attributable to owners of the Company		**64,911**	(777,699)
		Cents RMB	Cents RMB
Earnings/(loss) per share:			
- Basic	27	**16.5**	(442.5)
- Diluted	27	**16.5**	(442.5)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2018

The Group	Note	Share capital RMB'000	Share-based payment reserve RMB'000	Statutory reserve RMB'000	Revaluation reserve RMB'000	Accumulated profits/ (losses) RMB'000	Total RMB'000
At 1 July 2016		301,346	2,016	71,135	–	611,461	985,958
Loss for the year, representing total comprehensive expense for the year		–	–	–	–	(777,699)	(777,699)
Contributions by and distributions to owners of the Company							
Dividend paid during the year	28	–	–	–	–	(1,401)	(1,401)
Issue of placement shares	18	21,087	–	–	–	–	21,087
Share issue expenses	18	(223)	–	–	–	–	(223)
		20,864	–	–	–	(1,401)	19,463
At 30 June 2017		322,210	2,016	71,135	–	(167,639)	227,722
Profit for the year		**–**	**–**	**–**	**–**	**29,136**	**29,136**
Other comprehensive income for the year		**–**	**–**	**–**	**35,775**	**–**	**35,775**
Total comprehensive income for the year		**–**	**–**	**–**	**35,775**	**29,136**	**64,911**
At 30 June 2018		**322,210**	**2,016**	**71,135**	**35,775**	**(138,503)**	**292,633**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2018

	Note	**Year ended 30 June 2018 RMB'000**	Year ended 30 June 2017 RMB'000
Cash Flows from Operating Activities			
Profit/(loss) before taxation		**47,730**	(778,047)
Adjustments for:			
Amortisation of biological assets	5	**193**	7,380
Amortisation of land use rights	6	**542**	542
Amortisation of intangible assets	7	**5**	600
Amortisation of prepayments	11	**–**	47,435
Depreciation of property, plant and equipment	4(a)	**1,169**	3,927
Depreciation of investment properties	8	**2,082**	–
Interest expense	24(e)	**261**	112
Interest income	23	**–**	(6)
Loss from changes in fair value of biological assets	5	**–**	99,229
Loss on disposal of biological assets	11	**–**	1,753
Reversal of impairment loss on leasehold property	4(d)	**(532)**	–
Impairment loss on leasehold property	4(d)	**–**	924
Prepayments written off	11	**–**	334,548
Fair value gain on investment properties	8	**(66,815)**	–
Investment properties written off	8(c)	**2,124**	–
Intangible assets written off	7	**–**	2,100
Unaccountable expenses	24(d)	**–**	135,091
Exchange gain	25	**(84)**	(55)
Share of loss of associates	10	**566**	977
Operating cash flows before working capital changes		**(12,759)**	(143,490)
Decrease in biological assets		**67,924**	–
Increase in inventories		**(6,831)**	(5,520)
Decrease/(increase) in trade and other receivables		**86,847**	(65,834)
(Decrease)/increase in trade and other payables		**(133,891)**	189,834
Cash generated from/(used in) operations		**1,290**	(25,010)
Income tax paid		**(162)**	(3,141)
Interest received		**–**	6
Net cash generated from/(used in) operating activities		**1,128**	(28,145)
Cash Flows from Investing Activities			
Proceeds from disposal of biological assets	11	**–**	10,809
Acquisition of property, plant and equipment (Note B)	4	**(664)**	(8,354)
Acquisition of intangible assets	7	**(39)**	–
Net cash (used in)/generated from investing activities		**(703)**	2,455
Cash Flows from Financing Activities			
Proceeds from issuance of ordinary shares, net of issue costs	18	**–**	20,864
Proceeds from bank borrowings (Note A)		**4,160**	3,249
Repayment of bank borrowings (Note A)		**(388)**	(1,554)
Interest paid	24(e)	**(261)**	(112)
Dividends paid	28	**–**	(1,401)
Net cash generated from financing activities		**3,511**	21,046
Net increase/(decrease) in cash and cash equivalents		**3,936**	(4,644)
Cash and cash equivalents at beginning of year		**6,628**	11,143
Effect on foreign exchange of rate changes on cash and cash equivalents		**(24)**	129
Cash and cash equivalents at end of year (Note 17)		**10,540**	6,628

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Note A

Reconciliation of liabilities arising from financing activities

With effective from 1 January 2017, the Amendments to FRS 7 *Statements of Cash Flow* comes with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

	Bank borrowings RMB'000
At 1 July 2017	5,223
Cash flow	
Additions	4,160
Repayments of principal/interest	(388)
Non-cash changes	
Exchange translation	(108)
At 30 June 2018	8,887

Note B

Property, plant and equipment

During the financial year ended 30 June 2018, the Group acquired property, plant and equipment with an aggregate cost of RMB 664,000 (2017 - RMB 12,980,000), of which RMB Nil (2017 - RMB 4,626,000) was transferred from long term deposit recorded in 2016 for the acquisition of an office unit (see Note 12). Cash payments of RMB 664,000 (2017 - RMB 8,354,000) were made to purchase property, plant and equipment.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of the Company and of the Group for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company was incorporated in Singapore on 8 February 2010 as a private limited company under the name Yamada Green Resources Pte. Ltd. On 28 September 2010, the Company was converted into a public company and assumed the present name of Yamada Green Resources Limited. The Company was listed on the SGX-ST on 8 October 2010.

With effect from 22 January 2018, the registered office of the Company is located at 7 Temasek Boulevard #43-04 Suntec Tower One, Singapore 038987. The principal place of business is at No. 2 Dongling Road, Minhou Economic and Technological Development Zone, Ganzhe Street Minhou County, Fuzhou City, Fujian Province, The PRC.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements.

2(a) Fire incident

The Board of Directors of the Company announced on 4 September 2017, that they have been informed by the management on 31 August 2017 of a fire incident involving a transport vehicle which took place at approximately 2.30 p.m. on 30 August 2017. The fire incident was reported to the police and fire authorities who attended to the incident.

The incident vehicle was in the midst of transporting certain finance documents and IT/computer hardware from the Group's Research and Development Centre ("R&D Centre") situated in Houyu Food Industry Zone of Minhou County, Fuzhou City, PRC to the Group's office premises situated in the Tie Ling Economic and Technological Development Zone of Minhou County, Fuzhou City, PRC ("Office Premises"). The preliminary assessment of the management was that a large part of the FY2017 and FY2018 finance documents for the Company's subsidiaries, and part of the FY2010 to FY2016 finance documents of the Company's subsidiaries, were likely to have been affected or destroyed by the fire. The affected finance documents include certain payment and receiving vouchers, invoices and banking-related advice and documents. Affected IT/computer hardware comprise office computers which contain records, back-ups and information on finance and related documents.

The transportation of the said finance documents and IT/computer hardware was pursuant to the management's decision to consolidate the finance team and records at the Office Premises. The finance team and records were then split between two locations – namely the R&D Centre and the Office Premises. The consolidation of the finance operations at the Office Premises was intended to improve operational and audit efficiency, and allow both finance staff and the then external auditors, BDO LLP easier access to key management.

2(b) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC") of Singapore. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Renminbi ("RMB") which is the Company's functional currency. All financial information presented in RMB has been rounded to the nearest thousand ("RMB'000") unless otherwise stated.

Significant judgements and accounting estimates

The preparation of the consolidated financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

2(b) Basis of preparation (Cont'd)

Significant judgements in applying accounting policies

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 amount recognised in the financial statements:

Revenue - Gross presentation

The Group assesses at the end of the balance sheet date whether the Group acts as a principal or an agent. To determine whether the Group acts as a principal, the Group considers factors such if the Group has primary responsibility for providing the goods or services to the customer, has latitude in establishing prices, either directly or indirectly and bears the customer's credit risks for the amount receivable from the customers. The Group has determined, based on an evaluation of the terms and conditions of the sales arrangements, that the Group acts as a principal and so accounts the revenue as gross presentation in the consolidated statement of profit or loss and other comprehensive income.

Significant influence (Note 10)

Significant influence is presumed to exist (or not exist) when an entity holds 20% or more (or less than 20%) of the voting rights of another entity, unless it can be clearly demonstrated otherwise.

The Group holds 45% interest in Fujian Tianwang Foods Co. Limited ("Tianwang") and its subsidiary, Sanming Sennong Forestry Co. Ltd ("Sennong"). One out of three members on the board of directors of Tianwang is represented by one of the directors of the Company.

Based on this, the Group considers that it has the power to exercise significant influence, being the power to participate in the financial and operating policy decisions of Tianwang and its subsidiary, Sennong (but not control or joint control).

Critical accounting estimates and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each 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 discussed below:

Depreciation of property, plant and equipment (Note 4)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within 3 to 20 years. The carrying amounts of the Company's and the Group's property, plant and equipment as at 30 June 2018 are RMB 8,395,000 (2017 - RMB 7,974,000) and RMB 71,179,000 (2017 - RMB 25,375,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of the Company's and the Group's property, plant and equipment differ by 10% from the management's estimates, the carrying amount of the Company's and the Group's property, plant and equipment will be approximately RMB 13,000 (2017 - RMB 1,000) and RMB 130,000 (2017 - RMB 436,000) lower respectively and RMB 11,000 (2017 - RMB 1,000) and RMB 106,000 (2017 - RMB 357,000) higher respectively.

Useful lives of plant and machinery (Note 4)

Plant and machinery are depreciated on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of these assets to be within 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at the end of the reporting period is disclosed in Note 4 to the financial statements.

If the actual useful lives of plant and machinery differ by 10% from the management's estimates, the carrying amount of the Group's plant and machinery will be approximately RMB 4,000 (2017 - RMB 98,000) lower and RMB 4,000 (2017 - RMB 80,000) higher.

2(b) Basis of preparation (Cont'd)

Critical accounting estimates and key sources of estimation uncertainty (Cont'd)

Amortisation of land use rights (Note 6)

Land use rights are amortised on a straight-line basis over their estimated useful lives. The Group has been granted rights of use of land of 41 to 50 years. The carrying amount of the Group's land use rights as at 30 June 2018 is RMB 22,931,000 (2017 - RMB 23,473,000). Changes in the expected level of usage could impact the economic useful lives of land use rights, therefore future amortisation charges could be revised.

If the actual useful lives of land use rights differ by 10% from the management's estimates, the carrying amount of the Group's land use rights will be approximately RMB 60,000 (2017 - RMB 60,000) lower and RMB 49,000 (2017 - RMB 49,000) higher.

Valuation of investment properties (Note 8)

The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers. The determination of the fair value of investment properties requires the use of historical transaction comparables and estimates such as future cash flows from assets (market rental rates), capitalisation rates and vacancy rates applicable to those assets. The carrying amount of investment properties is disclosed in Note 8 to the financial statements.

If the market value used to estimate the fair value of the investment properties decreases/increases by 5% from management's estimates, the Group's profit for the year will decrease/increase by RMB 8,668,000.

Impairment of investments in subsidiaries (Note 9)

Determining whether investments in subsidiaries is impaired requires an estimation to the recoverable amounts of the investments in subsidiaries. The recoverable amounts of the investments in subsidiaries are estimated using the "fair value less costs of disposal" approach. Fair value is based on the revalued net assets of subsidiaries. In deriving the revalued net assets of these subsidiaries, the fair values of the underlying assets are estimated based on their expected selling prices and the fair values of the underlying liabilities are based on the estimated cash outflows to settle the obligations. Management has evaluated the recoverability of the investment based on such estimates.

If present value of estimated future cash flows decrease by 10% from management's estimates, the Company's allowance for impairment will increase by RMB 1,421,000 (2017 - RMB 1,421,000).

Withholding tax on undistributed profits (Note 13)

According to the New Corporate Income Tax Law ("CIT") and the Detailed Implementation Regulations, dividends distributed to the foreign investor by Foreign Invested Enterprises ("FIE") in the PRC, would be subject to withholding tax of 10% (5% for countries including Singapore which have entered into respective bilateral treaties with the PRC). The FIE's profits, arising in the financial year 2008 and beyond, to be distributed to the foreign investors as dividends shall be subject to withholding tax.

The management has considered the above tax exposure and has provided for deferred tax liability as at 30 June 2018 based on the assumption that the FIE will, in the foreseeable future, declare dividend payments to the Company and there will be withholding tax on dividends to be distributed out of the accumulated profits.

The carrying amount of the Group's deferred tax liability on undistributed profits as at 30 June 2018 was approximately RMB 3,711,000 (2017 - RMB 3,711,000).

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the entities operate and the respective entities' process of determining sales prices.

2(b) Basis of preparation (Cont'd)

Critical accounting estimates and key sources of estimation uncertainty (Cont'd)

Income tax (Notes 13 and 26)

The Group has exposures to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The accounting policies used by the Company and by the Group have been applied consistently to all periods presented in these financial statements.

2(c) Interpretations and amendments to published standards effective in 2017/2018

On 1 July 2017, the Group adopted the new or amended FRS that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to FRS 7	Statement of Cash Flows	1 January 2017
Amendments to FRS 12	Recognition of Deferred Tax Assets for Unrecognised Losses	1 January 2017

Amendments to FRS 7 *Statement of Cash Flows*

The Amendments to FRS 7 *Statement of Cash Flows* required entities to reconcile cash flows arising from financing activities as reported in the statement of cash flows - excluding contributed equity - to the corresponding liabilities in the opening and closing statements of financial position and to disclose on any restrictions over the decisions of an entity to use cash and cash equivalent balances, in particular way - e.g. any tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances.

These amendments are effective on beginning or after 1 January 2017. As this is a disclosure standard, it will have no impact to the financial position and performance of the Group when applied in. The Group has included the additional required disclosures in the Consolidated Statement of Cash Flows to the financial statements.

Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrecognised Losses*

The amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses* clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments to FRS 12 is effective for annual periods beginning on or after 1 January 2017.

Management has reassessed all unrealised losses on debt instruments measured at fair value and there is no material impact.

2(d) Singapore Financial Reporting Standards (International) ("SFRS(I)") not yet effective

The Accounting Standards Council ("ASC") announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt the new financial reporting framework on 1 July 2018 (effective for period beginning on or after 1 January 2018) and thereafter Singapore Financial Reporting Standards (International) ("SFRS(I)") which refer to Singapore Financial Reporting Standards (International) and SFRS(I) Interpretations issued by the ASC.

The Group has performed an assessment of the impact of adopting the new financial reporting framework. Other than the adoption of the new standards that are effective on 1 January 2018, the Group expects that the adoption of the new framework will have no material impact on the financial statements in the year of initial application. The Group expects that the impact of adopting the new standards that are effective on 1 January 2018 will be similar to that as disclosed below.

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to SFRS(I) 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
SFRS(I) 9	Financial Instruments	1 January 2018
SFRS(I) 15	Revenue from Contracts with Customers	1 January 2018
SFRS(I) 16	Leases	1 January 2019

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

Amendments to SFRS(I) 2 *Classification and Measurement of Share-based Payment Transactions*

The amendments to SFRS(I) 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for:

(i) The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments

(ii) Share-based payment transactions with a net settlement feature for withholding tax obligations

(iii) A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Companies are required to apply the amendments for annual periods beginning on or after 1 January 2018. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment.

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 *Financial Instruments* replaces the FRS 39 and it is a package of improvements introduced by SFRS(I) 9 which include a logical model for:

- Classification and measurement;
- A single, forward-looking "expected loss" impairment model; and
- A substantially reformed approach to hedge accounting.

2(d) Singapore Financial Reporting Standards (International) ("SFRS(I)") not yet effective (Cont'd)

SFRS(I) 9 *Financial Instruments (Cont'd)*

SFRS(I) 9 is effective for annual periods beginning on or after 1 January 2018.

Overall, the Group does not expect a significant change to the measurement basis arising from the adoption of the new classification and measurement model under SFRS(I) 9 based on its initial assessment of the impact on the Group's financial statements.

Loans and receivables currently accounted for at amortised cost will continue to be accounted for using amortised cost model under SFRS(I) 9.

The Group currently has no financial liabilities held at fair value.

Impairment - The Group plans to apply the 12-month approach and record lifetime expected impairment losses on all trade receivables.

The Group is currently performing a detailed analysis under SFRS(I) 9 which will result in changes to the accounting policies relating to the impairment provisions of financial assets and liabilities. Management will consider whether the 12-month or lifetime expected credit losses on financial assets and liabilities should be recognised, which is dependent on whether there has been a significant increase in the credit risk of the assets and liabilities from initial recognition to the date of initial application of SFRS(I) 9.

Additional disclosures will also be made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new SFRS(I) 9.

SFRS(I) 15 *Revenue Contracts with Customers*

SFRS(I) 15 *Revenue from Contracts with Customers* establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer.

The standard replaces FRS 11 *Construction Contracts*, FRS 18 *Revenue*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for Construction of Real Estate*, INT FRS 118 *Transfer of Assets from Customers* and INT FRS 31 *Revenue - Barter Transactions involving Advertising Services*. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

SFRS(I) 15 is effective for annual periods beginning on or after 1 January 2018.

Management anticipates that the initial application of the new SFRS(I) 15 should not result in changes to the accounting policies relating to revenue recognition. However, additional disclosures for trade receivables and revenue may be required, including any significant judgement and estimation made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new SFRS(I) 15.

The standard clarifies how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided)
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

2(d) Singapore Financial Reporting Standards (International) ("SFRS(I)") not yet effective (Cont'd)

SFRS(I) 15 *Revenue Contracts with Customers (Cont'd)*

Management anticipates that the initial application of the new SFRS(I) 15 will result in changes to the accounting policies relating to sales of self-cultivated and processed food products. Additional disclosures will also be made, including any significant judgement and estimation made, if any. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the entity's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new SFRS(I) 15.

SFRS(I) 16 *Leases*

SFRS(I) 16 *Leases* replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which lessees are required to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. SFRS(I) 16 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the entity has adopted SFRS(I) 15.

SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group plans to adopt the standard when it becomes effective in 2019 and expects to apply the standard using the modified retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities.

Until 2019, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

3 Significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, incomes and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive losses are attributable to the non-controlling interest even if that results in a deficit balance.

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 the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;

- derecognises the carrying amount of any non-controlling interest;

3 Significant accounting policies (Cont'd)

Consolidation (Cont'd)

- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it 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.

Thus, the Group controls an investee, if and only if, the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

<u>Acquisitions</u>

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

3 Significant accounting policies (Cont'd)

Consolidation (Cont'd)

A change in the ownership interest

A change in the Group's ownership interests in subsidiaries that does not result in the Group losing control over the subsidiaries is accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Disposals

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the straight-line method to allocate the depreciable amount of the assets over the estimated useful lives as follows:

Leasehold properties	20 years
Motor vehicles	10 years
Office equipment	5 years
Plant and machinery	10 years
Fixtures and fittings	5 to 10 years
Farm equipment and fixtures	3 to 5 years

No depreciation has been provided for construction-in-progress.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

3 Significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment, if any, are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at each reporting date as a change in estimates to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the financial period the asset is derecognised.

Leasehold properties are initially recognised at cost and subsequently stated at their revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are carried out by independent professional valuers regularly such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of reporting period.

When an asset is revalued, any increase in the carrying amount is credited directly to revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down.

When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to retained earnings when the asset is de-recognised.

Biological assets

<u>Synthetic logs (including mycelia)</u>

Synthetic logs were stated at cost less accumulated amortisation and any accumulated impairment losses. The cost of the synthetic logs included its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation was provided using units of production method over a period of seven months.

The cost of synthetic logs transferred from eucalyptus trees is at its fair value less costs to sell at harvest.

<u>Eucalyptus trees and moso bamboo trees and bamboo shoots in plantations</u>

Eucalyptus trees and moso bamboo trees and bamboo shoots in plantations were classified as biological assets and stated at fair value less costs to sell.

Gains or losses arising on initial recognition of plantations at fair value less costs to sell and from the change in fair value less costs to sell of plantations at the end of each financial year were included in profit or loss in the financial year in which they arose.

Biological assets that were expected to be realised in the next harvest within twelve months from the end of financial year were included as current assets.

Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over the lease term of 41 to 50 years.

3 Significant accounting policies (Cont'd)

Intangible assets

Intangible assets are accounted for using the cost model. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing, if there are any indicators of impairment. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further future economic benefits are expected to arise.

Computer software

Costs relating to computer software acquired, which are not an integral part of related hardware, are capitalised and amortised on a straight-line basis over their useful life of 5 years.

E-commerce platform

The acquired e-commerce platform was initially capitalised at cost which included the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the platform for its intended use. Direct expenditure which enhanced or extended the performance of e-commerce platform beyond its specifications and which could be reliably measured was added to the original cost of the platform. Costs associated with maintaining e-commerce platform were recognised as an expense when incurred.

E-commerce platform was subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs were amortised to profit or loss using the straight-line method over their estimated useful lives of 5 years.

During the financial year ended 30 June 2017, the cost incurred on the e-commerce platform has been written off to the income statement as the online sales business was not sustainable.

Government grant/subsidy

Government grant/subsidy is recognised at its fair value where there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with. Where the grant/subsidy relates to an asset, the fair value is recognised as deferred capital grant on the consolidated statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Investment properties

Investment properties include those portions of buildings that are held for long term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use, and where an insignificant portion is held for the Group's own occupation.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in the profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

3 Significant accounting policies (Cont'd)

Investment properties (Cont'd)

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Investments in associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate. Investment in associates at company level are stated at cost.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transaction between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Group unless it is impracticable to do so. When the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the Group (not more than three months apart), adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group.

Upon loss of significant influence or joint control over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

3 Significant accounting policies (Cont'd)

Investments in associates (Cont'd)

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted-average basis and includes all costs in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Company or the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company or the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

As at 30 June 2018, other than loans and receivables, the Company and the Group do not have financial assets at fair value through profit or loss and available-for-sale financial assets. The Company and the Group do not designate any held-to-maturity investments.

3 Significant accounting policies (Cont'd)

Financial assets (Cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company or the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables, related party balances and deposits held in bank. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Financial liabilities

The Company's and the Group's financial liabilities include bank borrowings, trade and other payables and related party balances.

Financial liabilities are recognised when the Company or the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "Finance costs" in the profit or loss. Financial liabilities are derecognised if the Company's or the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company or the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statements of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Group's normal operating cycle are considered as current. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statements of financial position.

3 Significant accounting policies (Cont'd)

Financial liabilities (Cont'd)

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

Dividend distributions to shareholders are included in current financial liabilities when the dividends are declared and payable.

Provisions

Provisions are recognised when the Company and the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in consolidated income statement immediately.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because of the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Borrowing costs

Borrowing costs are recognised in the profit or loss in the period they are incurred.

Leases

Where the Group is the lessee,

<u>Operating leases</u>

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the profit or loss when incurred.

3 Significant accounting policies (Cont'd)

Leases (Cont'd)

Where the Group is the lessee (Cont'd),

Prepaid leases

In the financial year ended 30 June 2017, the Group leased mushroom farmlands, eucalyptus plantations and bamboo plantations under operating leases and the leases ran for a period of 20 years, 10 years and 10 to 15 years respectively. The upfront lump-sum payments made under the leases were amortised to profit or loss on a straight-line method over the term of the leases. The amortisation amount of mushroom farmlands, eucalyptus plantations and bamboo plantations were included in cost of sales, administrative expenses and other expenses line of the consolidated statement of profit or loss and other comprehensive income.

Where the Group is the lessor,

Operating leases

Assets leased out under operating leases are included in investment properties and are stated at cost less accumulated depreciation and impairment losses. Rental income (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liability has been recognised in respect of certain of the temporary differences associated with undistributed earnings of certain subsidiaries of the Group. The Group has determined that not all the undistributed earnings of the subsidiaries will be distributed in the foreseeable future. Withholding tax is levied on dividends declared to foreign investors from foreign investment enterprises established in Mainland China. The Group made provision for deferred tax liabilities on withholding tax of the forecasted dividend payout of the earnings of its China subsidiaries.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(b) based on the tax consequence that will follow from the manner in which the Company and the Group expect, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised either in other comprehensive income or directly in equity.

3 Significant accounting policies (Cont'd)

Value-added tax

The Group's sales of goods in the PRC are subjected to Value-added tax ("VAT") at the applicable tax rate of 17% for PRC domestic sales. Input VAT on purchases can be deducted from output VAT subject to agreement by the tax authority. The Group's export sales are not subject to VAT.

Revenue, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "other receivables" or "other payables" in the consolidated statement of financial position.

Employee benefits

Defined contribution schemes

The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which they have operations. In particular, the Singapore incorporated company in the Group contributes to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore. The subsidiaries in the PRC are required to provide certain staff pension benefits to their employees under existing PRC regulations. The contributions to national pension schemes are charged to profit or loss in the period as incurred to which the contributions relate.

Employee leave entitlements

No provision has been made for employee leave entitlements as any unconsumed annual leave will be forfeited.

Employee share option scheme ("ESOS Scheme")

The Company has existing share incentives schemes, namely, Yamada Green Resources Employee Share Option Scheme and Yamada Green Resources Performance Share Plan.

The Company issues equity-settled share-based payments to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Company revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

In the Company's separate financial statements, the fair value of options granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investment in subsidiaries, with a corresponding increase in equity over the vesting period.

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

3 Significant accounting policies (Cont'd)

Employee benefits (Cont'd)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company and the Group. Directors are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company and the Group if that person:

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

(b) An entity is related to the Company and the Group if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities 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 Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (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); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets (other than biological assets) subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the asset belongs will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Company at which management controls the related cash flows.

3 Significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes relevant value-added tax and is arrived at after deduction of trade discounts and rebates. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Sale of goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and the costs of the transactions can be measured reliably. Revenue excludes goods and services taxes or value-added taxes and is arrived at after deduction of trade discounts and rebates, if any. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Interest income

Interest income is recognised on a time-apportioned basis using the effective interest method.

Rental income

Rental and related income from investment properties are recognised on a straight-line basis over the lease term. Lease incentives given to tenants, if any, are recognised as an integral part of deriving total lease income. Penalty payments on early termination, if any, are recognised when incurred. Contingent rents are mainly determined as a percentage of tenant's revenue during the month. These leases are for terms of one to five years with options to review at market rates thereafter.

3 Significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Government grant/subsidy

Cash grant/subsidy received from the government is recognised as income upon receipt.

Refund from termination of leases to plantations

Cash refunds received from termination of unexpired leases to plantations are recognised as income upon receipt.

Functional currency

Functional and presentation currency

Items included in the consolidated financial statements of the Company and of the Group are measured using the currency of the primary economic environment in which the entity operates in ("the functional currency"). The consolidated financial statements of the Group are presented in RMB, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualified as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

Foreign exchange gains and losses that relate to borrowings are presented in the profit or loss. Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

4 Property, plant and equipment

The Company	Leasehold property RMB'000	Office equipment RMB'000	Total RMB'000
Cost or valuation			
At 1 July 2016	–	23	23
Additions	8,895	–	8,895
At 30 June 2017	**8,895**	**23**	**8,918**
Additions	**–**	**6**	**6**
Disposals	**–**	**(15)**	**(15)**
Revaluation adjustment	**(112)**	**–**	**(112)**
At 30 June 2018	**8,783**	**14**	**8,797**
Representing:			
- Cost	**–**	**14**	**14**
- Valuation	**8,783**	**–**	**8,783**
At 30 June 2018	**8,783**	**14**	**8,797**
Accumulated depreciation and impairment loss			
At 1 July 2016	–	14	14
Depreciation for the year	–	6	6
Impairment loss	924	–	924
At 30 June 2017	**924**	**20**	**944**
Depreciation for the year	**112**	**4**	**116**
Reversal of impairment loss	**(531)**	**–**	**(531)**
Disposals	**–**	**(15)**	**(15)**
Revaluation adjustment	**(112)**	**–**	**(112)**
At 30 June 2018	**393**	**9**	**402**
Comprising:			
- Accumulated depreciation	**–**	**9**	**9**
- Accumulated impairment loss	**393**	**–**	**393**
At 30 June 2018	**393**	**9**	**402**
Net book value			
At 30 June 2018	**8,390**	**5**	**8,395**
At 30 June 2017	7,971	3	7,974

4 Property, plant and equipment (Cont'd)

The Group	Note	Leasehold properties RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Fixtures and fittings RMB'000	Farm equipment and fixtures RMB'000	Construction-in-progress RMB'000	Unaccountable RMB'000	Total RMB'000
Cost or valuation		(b)								
At 1 July 2016 (as reported)		101,249	3,100	1,408	21,359	119	4,761	64,022	–	196,018
Unaccountable adjustments		(54,071)	(90)	(1,148)	(4,275)	493	(4,712)	1	63,802	–
At 1 July 2016, at cost (as disclosed)		47,178	3,010	260	17,084	612	49	64,023	63,802	196,018
Additions		8,894	–	4	215	52	–	3,815	–	12,980
Reclassifications		30,645	–	–	–	–	–	(30,645)	–	–
Transfer to investment properties	8	(43,687)	–	–	–	–	–	(37,193)	–	(80,880)
Unaccountable - written off	24(d)	(13,528)	(3,010)	(236)	(17,084)	(612)	(44)	–	(63,802)	(98,316)
At 30 June 2017		**29,502**	**–**	**28**	**215**	**52**	**5**	**–**	**–**	**29,802**
Additions		**–**	**43**	**28**	**324**	**128**	**5**	**136**	**–**	**664**
Transfer to investment properties	8	**(1,968)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,968)**
Disposals/written off		**–**	**–**	**(15)**	**–**	**–**	**(5)**	**–**	**–**	**(20)**
Revaluation adjustments	24(f)	**47,700**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**47,700**
At 30 June 2018		**75,234**	**43**	**41**	**539**	**180**	**5**	**136**	**–**	**76,178**
Representing:										
- Cost		**–**	**43**	**41**	**539**	**180**	**5**	**136**	**–**	**944**
- Valuation		**75,234**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**75,234**
At 30 June 2018		**75,234**	**43**	**41**	**539**	**180**	**5**	**136**	**–**	**76,178**
Accumulated depreciation and impairment loss										
At 1 July 2016 (as reported)		12,985	1,620	978	14,780	44	2,405	–	–	32,812
Unaccountable adjustments		(8,200)	(102)	(863)	(3,661)	228	(2,362)	–	14,960	–
At 1 July 2016 (as disclosed)		4,785	1,518	115	11,119	272	43	–	14,960	32,812
Depreciation for the year		2,602	298	46	885	94	2	–	–	3,927
Impairment loss		924	–	–	–	–	–	–	–	924
Transfer to investment properties	8	(2,416)	–	–	–	–	–	–	–	(2,416)
Unaccountable - written off	24(d)	(1,507)	(1,816)	(141)	(11,996)	(360)	(40)	–	(14,960)	(30,820)
At 30 June 2017		**4,388**	**–**	**20**	**8**	**6**	**5**	**–**	**–**	**4,427**
Depreciation for the year		**1,095**	**5**	**8**	**39**	**21**	**1**	**–**	**–**	**1,169**
Reversal of impairment loss		**(532)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(532)**
Disposals/written off		**–**	**–**	**(15)**	**–**	**–**	**(5)**	**–**	**–**	**(20)**
Transfer to investment properties	8	**(45)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(45)**
At 30 June 2018		**4,906**	**5**	**13**	**47**	**27**	**1**	**–**	**–**	**4,999**
Comprising:										
- Accumulated depreciation		**4,514**	**5**	**13**	**47**	**27**	**1**	**–**	**–**	**4,607**
- Accumulated impairment loss		**392**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**392**
At 30 June 2018		**4,906**	**5**	**13**	**47**	**27**	**1**	**–**	**–**	**4,999**
Net book value										
At 30 June 2018		**70,328**	**38**	**28**	**492**	**153**	**4**	**136**	**–**	**71,179**
At 30 June 2017		25,114	–	8	207	46	–	–	–	25,375

4 Property, plant and equipment (Cont'd)

(a) Depreciation is charged to:

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Cost of sales		**709**	2,065
Administrative expenses	24(b)	**453**	1,853
Selling and distribution expenses	24(a)	**7**	9
Other operating expenses		**–**	–
		1,169	3,927

(b) During the financial year ended 30 June 2018, the Company and the Group change its accounting policy in relation to its leasehold properties from cost model to revaluation model. The leasehold properties of the Group as at the end of reporting period comprise:

Location	**Description**	**Land area (sqm)**	**Tenure**	**Net book value 30 June 2018 *(at valuation)* RMB'000**	30 June 2017 *(at cost)* RMB'000
Economic and Technological Development Zone of Minhou County Fuzhou City, The PRC	2号办公楼 2号2#厂房 2号1#生产车间 2号5#生产车间	14,850	50 years leasehold up to 29.07.2062	**4,011** **13,585** **17,414** **20,721**	1,689 2,718 4,134 4,867
No. 2 Shengfeng Road Liantang Town, Pucheng County, Nanping City Fujian Province, The PRC	厂房	5,816	41 years leasehold up to 26.01.2046	**4,920**	811
Luoan Food Industrial Park Houfu Village, Guilin Street Zhangping City Fujian Province, The PRC	办公楼 厂房	846	50 years leasehold up to 18.04.2063	**1,287** **–**	1,410 1,514
20 Cecil Street #06-02 GSH Plaza Singapore 049705	Office unit #06-02	48	99 years leasehold up to 07.12.2088	**8,390**	7,971
				70,328	25,114

4 Property, plant and equipment (Cont'd)

(c) As at the end of the reporting period, the carrying amount of leasehold properties of the Company and of the Group which have been pledged to financial institutions to secure bank facilities are as follows:

		The Company		The Group	
	Note	**30 June 2018 RMB'000 *(at valuation)***	30 June 2017 RMB'000 *(at cost)*	**30 June 2018 RMB'000 *(at valuation)***	30 June 2017 RMB'000 *(at cost)*
Carrying amount,					
- 2号5#生产车间	21(b)	**–**	–	**20,721**	4,867
- Office unit #06-02	21(a)	**8,390**	7,971	**8,390**	7,971
		8,390	7,971	**29,111**	12,838

(d) During the financial year ended 30 June 2017, the impairment loss of RMB 924,000 represents the write-down of the office unit located in GSH Plaza, Singapore. The recoverable amount was determined based on a valuation on 23 November 2018 carried out by a firm of independent professional valuers, Eidea Professional Services Company Limited, using the direct comparison method.

During the financial year ended 30 June 2018, an amount of RMB 532,000 was reversed as the office unit reflects an increase in its estimated service potential that arises from a change in estimates used in the basis for recoverable amount in addition to the change in accounting policy where the said leasehold property is stated from cost model to revaluation model.

The reversal was made based on a valuation carried out by the said independent professional valuers on 23 November 2018 for the said office unit as at 30 June 2018. The fair value measurement is categorised as a Level 2 fair value based on the inputs in the valuation technique use.

(e) If the leasehold properties stated at revaluation were included in the financial statements at cost less accumulated depreciation, their net book values would be:

	The Company		The Group	
	30 June 2018 RMB'000	30 June 2017 RMB'000	**30 June 2018 RMB'000**	30 June 2017 RMB'000
At net book value,				
- Leasehold properties	**7,858**	7,971	**22,095**	25,114

(f) Included in additions of leasehold properties of RMB 8,894,000 during the financial year ended 30 June 2017, was a sum of RMB 4,626,000 relating to the deposits paid in 2016 for the acquisition of a new office unit located in GSH Plaza, Singapore (see Note 12).

(g) As at 30 June 2016, construction-in-progress was related to the construction of 研发综合实验楼 located at No. 300 Houyu Jingxi Town, Minhou County, Fuzhou City, Fujian Province, the PRC. The construction of the said asset was completed and was transferred to investment properties during the financial year ended 30 June 2017 [See Note 8(a)].

5 Biological assets

Biological assets comprised eucalyptus trees, moso bamboo trees and bamboo shoots in plantations and synthetic logs. Eucalyptus trees and moso bamboo trees and bamboo shoots were separated from land on which these assets were located. As the useful life of synthetic logs was less than one year, they were classified as current asset.

The Group	Note	**Eucalyptus trees in plantations RMB'000**	**Moso bamboo trees and bamboo shoots in plantations RMB'000**	**Sub-total RMB'000**	**Synthetic logs RMB'000**	**Total RMB'000**
Cost or valuation						
At 1 July 2016						
- at cost		–	–	–	7,380	7,380
- at valuation		49,195	127,737	176,932	–	176,932
		49,195	127,737	176,932	7,380	184,312
Utilisation		–	–	–	(7,380)	(7,380)
Disposal	11	(9,586)	–	(9,586)	–	(9,586)
Changes in fair value		(18,727)	(80,502)	(99,229)	–	(99,229)
At 30 June 2017		**20,882**	**47,235**	**68,117**	**–**	**68,117**
Additions		**–**	**–**	**–**	**2,756**	**2,756**
Utilisation		**(20,882)**	**(47,235)**	**(68,117)**	**(2,756)**	**(70,873)**
Disposal		**–**	**–**	**–**	**–**	**–**
At 30 June 2018		**–**	**–**	**–**	**–**	**–**
Accumulated amortisation						
At 1 July 2016		–	–	–	–	–
Amortisation for the year	25	–	–	–	7,380	7,380
Utilisation		–	–	–	(7,380)	(7,380)
At 30 June 2017		**–**	**–**	**–**	**–**	**–**
Amortisation for the year	25	**–**	**–**	**–**	**193**	**193**
Utilisation		**–**	**–**	**–**	**(193)**	**(193)**
At 30 June 2018		**–**	**–**	**–**	**–**	**–**
Carrying amount						
At 30 June 2018		**–**	**–**	**–**	**–**	**–**
At 30 June 2017		20,882	47,235	68,117	–	68,117

5 Biological assets (Cont'd)

Quantity and sales of edible fungi, bamboo trees, bamboo shoots and eucalyptus trees harvested and sold to external customers during the financial year were as follows:

	30 June 2018	30 June 2017
Quantity of edible fungi (in tonnes)	*	*
Sales of edible fungi (RMB'000)	–	40,545
Quantity of bamboo trees and bamboo shoots (in tonnes)	*	*
Sales of bamboo trees and bamboo shoots (RMB'000)	**346**	54,264
Quantity of eucalyptus trees (in tonnes)	*	*
Sales of eucalyptus trees (RMB'000)	**9,713**	1,000

* No information available

Recurring fair value measurement of the biological assets

Mature eucalyptus trees produces sawdust, which were used to produce synthetic logs. The fair value of the Group's biological assets as at 30 June 2017 had been determined on the basis of valuations carried out at the respective year end dates by independent valuers having an appropriate recognised professional qualification and recent experience in the biological assets being valued. The fair value was determined based on income approach by using the present value of expected net cash flows from the eucalyptus trees and moso bamboo trees and bamboo shoots discounted at a current market-determined pre-tax rate. In estimating the fair value of the biological assets, the valuation conformed to International Valuation Standards and was based on the biological assets' highest and best use, except for the production of synthetic logs from the sawdust of the eucalyptus trees. The synthetic logs were used for the cultivation of edible fungi which was one of the major business segments of the Group.

Details of the Group's biological assets and information about the fair value hierarchy at the end of the financial year ended 30 June 2017 was as follows:

The Group	**Level 1 RMB'000**	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
As at 30 June 2017				
Eucalyptus trees	–	–	20,882	20,882
Moso bamboo trees and bamboo shoots	–	–	47,235	47,235
	–	–	68,117	68,117

The Group categorised fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used, where Level 3 consists of asset or liability with unobservable inputs.

5 Biological assets (Cont'd)

Moso bamboo trees and bamboo shoots in plantations

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of moso bamboo trees and bamboo shoots in plantations, as well as the inter-relationship between key unobservable inputs and fair value, were set out in the table below:

Valuation techniques used	Significant unobservable inputs	Range of not easily observed input factors 2018	2017	Inter-relationship between key unobservable inputs and fair value
Income approach	Estimated average number of moso bamboo	**Nil**	115 - 220 pieces/mu	The higher the average numbers of moso bamboo per mu, the higher the fair value.
	Estimated percentage of moso bamboo with qualified diameter at breast height ("DBH")	**Nil**	98%	The higher the estimated percentage of moso bamboo with qualified DBH, the higher the fair value.
	Total estimated land rent, management and cultivation cost	**Nil**	RMB 301.50/mu to RMB 705.82/mu	The higher the land rent, management and cultivation cost, the lower the fair value.
	Estimated growth rate in cutting outsourcing cost	**Nil**	1%	The higher the growth rate in bamboo shoots cutting outsourcing cost, the lower the fair value.
	Estimated average annual merchantable volume for spring bamboo shoots (kg/mu)	**Nil**	212.42kg/mu	The higher the estimated average annual merchantable volume for spring bamboo shoots, the higher the fair value.
	Estimated average annual merchantable volume for winter bamboo shoots (kg/mu)	**Nil**	33.60kg/mu	The higher the estimated average annual merchantable volume for winter bamboo shoots, the higher the fair value.
	Estimated moso bamboo tree cutting outsourcing cost	**Nil**	RMB 103.00/mu to RMB 111.46/mu	The higher the moso bamboo tree cutting outsourcing cost, the lower the fair value.
	Estimated spring bamboo shoot cutting outsourcing cost	**Nil**	RMB 48.00/mu to RMB 50.95/mu	The higher the spring bamboo shoot cutting outsourcing cost, the lower the fair value.
	Estimated winter bamboo shoot cutting outsourcing cost	**Nil**	RMB 42.00/mu to RMB 49.89/mu	The higher the winter bamboo shoot cutting outsourcing cost, the lower the fair value.
	Growth rate in bamboo shoots unit price	**Nil**	1%	The higher the growth rate in bamboo shoots unit price, the higher the fair value.
Discounted cash flow calculation	Discount rate	**Nil**	17.53%	The higher the discount rate, the lower the fair value.

5 Biological assets (Cont'd)

Eucalyptus trees

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of eucalyptus trees, as well as the inter-relationship between key unobservable inputs and fair value, were set out in the table below:

Valuation techniques used	Significant unobservable inputs	Range of not easily observed input factors		Inter-relationship between key unobservable inputs and fair value
		2018	2017	
Income approach	Operating cost on eucalyptus trees per mu	**Nil**	RMB 77.50/mu to RMB 155.00/mu	The higher the operating cost on eucalyptus trees, the lower the fair value.
	Transportation cost on eucalyptus trees	**Nil**	RMB80/ 100km/m^3	The higher the transportation cost on eucalyptus trees, the lower the fair value.
	Cutting cost on eucalyptus plantation	**Nil**	RMB 100/m^3	The higher the cutting cost on eucalyptus plantation, the lower the fair value.
	Estimated cutting area design and timber scaling cost	**Nil**	RMB 9 /m^3	The higher the cutting area design cost and timber scaling cost, the lower the fair value.
	Estimated growth rate in cutting and transportation cost	**Nil**	3%	The higher the growth rate in cutting and transportation cost, the lower the fair value.
	Estimated growth rate in cutting area design and timber scaling cost	**Nil**	0%	The higher the growth cutting area design and timber scaling cost, the lower the fair value.
	Expected eucalyptus reserve (m^3/mu)	**Nil**	7.60m^3 to 17.00m^3	The higher the expected eucalyptus reserve, the higher the fair value.
	Estimated volume ratio for timber/log	**Nil**	71%	The higher the expected eucalyptus volume ratio, the higher the fair value.
	Estimated volume ratio for fuelwood	**Nil**	20%	The higher the estimated volume ratio for fuelwood, the lower the fair value.
	Growth rate in eucalyptus timber unit price	**Nil**	1%	The higher the growth rate in eucalyptus timber unit price, the higher the fair value.
Discounted cash flow calculation	Discount rate	**Nil**	20.53%	The higher the discount rate, the lower the fair value.

The eucalyptus trees and moso bamboo trees and bamboo shoots in plantations had not been insured against risks of fire, diseases and other possible risks.

6 Land use rights

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Cost			
Balance at beginning and at end of year		**26,796**	26,796
Accumulated amortisation			
Balance at beginning of year		**3,323**	2,781
Amortisation for the year	24(b), 25	**542**	542
Balance at end of year		**3,865**	3,323
Net book value		**22,931**	23,473

As at the end of the reporting period, land use rights of land area 16,400.68 square metres ("sqm") (2017 - 16,400.68 sqm) have been pledged to financial institutions to secure banking facilities [Note 21(b)].

Land use rights relate to the following parcel of lands:

Location	**Acquired from**	**Period**	**Land area (sqm)**	**Net book value 30 June 2018 RMB'000**	Net book value 30 June 2017 RMB'000
闽侯县荆溪镇厚屿社区厚屿300号 (1#厂房，2#职工宿舍，1#车间，研发综合实验楼)	闽侯县国土资源局	41 years	22,833.30	**1,514**	1,560
甘蔗街道闽侯经济技术开发区东岭路2号 (1#生产车间整座，2#厂房整座，办公楼整座)	闽侯县国土资源局	50 years	14,389.61	**16,214**	16,582
甘蔗街道闽侯经济技术开发区东岭路2号 (4#厂房整座，5#，6#生产车间整座)	闽侯县国土资源局	50 years	16,400.68		
浦城县莲塘镇盛丰路2号	浦城县人民政府	41 years	20,636.68	**947**	980
漳平市桂林街道后福村工业	漳平市人民政府	50 years	19,678.00	**4,256**	4,351
				22,931	23,473

7 Intangible assets

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Cost			
Balance at beginning of year		**–**	3,000
Additions		**39**	–
Written off	24(c), 25	**–**	(3,000)
Balance at end of year		**39**	–
Accumulated amortisation			
Balance at beginning of year		**–**	300
Amortisation for the year	24(a), 25	**5**	600
Written off	24(c), 25	**–**	(900)
Balance at end of year		**5**	–
Net book value		**34**	–

In the financial year ended 30 June 2018, the Group acquired a computer software.

In the financial year ended 30 June 2017, intangible asset comprised an acquired e-commerce platform.

The e-commerce platform has been written off during the financial year ended 30 June 2017 due to poor financial performance and the management of the Group is of the view that the e-commerce business was not sustainable.

8 Investment properties

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Cost or valuation			
Balance at beginning of year		**110,027**	31,563
Transfer from property, plant and equipment	4	**1,923**	78,464
Written off		**(2,700)**	–
Fair value adjustments		**(2,713)**	–
Fair value gain		**66,815**	–
Balance at end of year		**173,352**	110,027
Representing:			
- At cost		**–**	110,027
- At valuation		**173,352**	–
		173,352	110,027
Accumulated depreciation			
Balance at beginning of year		**1,207**	1,207
Depreciation for the year	24(b), 25	**2,082**	–*
Written off		**(576)**	–
Fair value adjustments		**(2,713)**	–
Balance at end of year		**–**	1,207
Carrying amount			
Balance at end of year		**173,352**	108,820
Fair value			
Balance at end of year		**173,352**	*

* No information available

8 Investment properties (Cont'd)

(a) The investment properties as at the end of the reporting period comprise:

Description and location	Gross floor area (sqm)	Tenure	*At fair value* 30 June 2018 RMB'000	*At cost* 30 June 2017 RMB'000
Factory and office building located at No. 300 Houyu Jingxi Town, Minhou County, Fuzhou City Fujian Province, The PRC	31,291.09	41 years leasehold up to 23.06.2052	**132,390**	106,576
Factory and office building located at No. 2 Dongling Road, Minhou Economic and Technological Development Zone, Ganzhe Street Minhou County, Fuzhou City Fujian Province, The PRC	10,053.33	50 years leasehold up to 29.07.2062	**37,729**	
Luoan Food Industrial Park, Houfu Village, Guilin Street, Zhangping City, Fujian Province, The PRC	19,678.00	50 years leasehold up to 18.04.2063	**3,233**	–
Warehouse and shophouse located at No. 2 Shengfeng Road Liantang Town, Pucheng County, Nanping City, Fujian Province, The PRC	7,810.00	41 years leasehold up to 26.01.2046	**–**	2,244
			173,352	108,820

(b) Investment properties are carried at fair value as at 30 June 2018 as determined by the independent professional valuers, Jones Lang LaSalle Corporate Appraisal and Advisory Limited on 30 June 2018. The valuers have considered valuation techniques including the depreciated replacement cost approach, direct comparable method and income capitalisation approach in arriving at the open market value as at the balance sheet date. The direct comparable method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.

At each financial year end, the Group's finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to prior year valuation report; and
- holds discussions with the independent valuer.

Details of valuation methods and key assumptions used to estimate the fair values of investment properties are set out in Note 32.7.

(c) Included in investment properties of RMB 108,820,000 as at 30 June 2017 is an amount totalling RMB 2,244,000 which relates to leasehold properties with a total gross floor area of approximately 7,810 sqm where there were no real estate title certificates. These investment properties of carrying amount totalling RMB 2,124,000 have been fully written off to the profit or loss during the financial year ended 30 June 2018.

8 Investment properties (Cont'd)

(d) As at 30 June 2018, investment properties totalling RMB 37,729,000 (2017 - Nil) of the Group had been pledged to financial institutions to secure bank facilities [Note 21(b)].

(e) The investment properties are leased to non-related parties under non-cancellable operating leases.

(f) The following amounts are recognised in profit or loss:

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Rental income	23	**2,792**	2,243
Direct operating expenses arising from investment properties that generated rental income		**(2,127)**	(1,206)

(g) If the leasehold properties stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would be:

The Group	**30 June 2018 RMB'000**	30 June 2017 RMB'000
At net book value,		
- investment properties	**106,537**	108,820

9 Investments in subsidiaries

The Company	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Unquoted equity investments, at cost	**163,975**	161,909
Additions	**–**	2,066
	163,975	163,975
Impairment loss on investment in a subsidiary		
Balance at beginning of year	**(14,213)**	–
Impairment loss for the year	**–**	(14,213)
Balance at end of year	**(14,213)**	(14,213)
	149,762	149,762

During the financial year ended 30 June 2017, the Company increased its investment in a subsidiary, Fujian Wangsheng Industrial Co., Ltd. by US$ 300,000 (RMB 2,066,000).

During the financial year ended 30 June 2017, the Company assessed the carrying amounts of its investments in subsidiaries for indications of impairment. Based on this assessment, the Company recognised an impairment loss of RMB 14,213,000 on a subsidiary, Nanping Yuanwang Foods Co., Ltd ("Yuanwang") where the recoverable amount of the investment has been determined based on the revalued net asset of Yuanwang as at 30 June 2017 which is classified under Level 3 of the fair value hierarchy.

9 Investments in subsidiaries (Cont'd)

The subsidiaries are:

Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of interests and voting rights held by the Group		Principal activities
		2018	2017	**2018**	2017	
		RMB'000	RMB'000	**%**	%	
Held by the Company						
Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng") * (福建望盛实业有限公司)	The People's Republic of China ("PRC")	**149,762**	149,762	**100**	100	Production and sales of processed food products
Nanping Yuanwang Foods Co., Ltd ("Yuanwang") * (南平市元旺食品有限公司)	PRC	**14,213**	14,213	**100**	100	Production and sales of semi-processed food products
Held by Fujian Wangsheng Industrial Co., Ltd						
Zhangping Fengwang Agricultural Products Co., Ltd ("Fengwang") * (漳平市丰旺农产品有限公司)	PRC	**–**	–	**100**	100	Sales of edible fungi
Zhangping Senwang Forestry Co., Ltd ("Senwang") *,# (漳平市森旺林业有限公司)	PRC	**–**	–	**100**	100	Forestry management
Fuzhou Kangzhimei Foods Co., Ltd ("Kangzhimei") *,# (福州康之美食品有限公司)	PRC	**–**	–	**100**	100	Sales of processed food products
Feng Zhi Qiu International Holdings Company Limited (Hong Kong Special Administrative Region) ("Fengzhiqiu") * (丰之秋国际控股有限公司)	Hong Kong	**–**	–	**100**	100	Sales of processed food products
Held by Nanping Yuanwang Foods Co., Ltd						
Nanping Lijiashan Forestry Co., Ltd ("Lijiashan") *,# (南平市李家山林业有限公司)	PRC	**–**	–	**100**	100	Forestry management, cultivation and sales of edible fungi and vegetables
Held by Nanping Lijiashan Forestry Co., Ltd						
Sanming Shansheng Forestry Co., Ltd ("Shansheng") *,# (三明山盛林业有限公司)	PRC	**–**	–	**100**	100	Forestry management, cultivation and sales of edible fungi and vegetables
		163,975	163,975			

* Audited by Foo Kon Tan LLP for consolidation purposes.

The financial statements of the China and Hong Kong entities are not subject to statutory audit under the PRC regulations in the province.

These subsidiaries have ceased their principal activities and operations during the financial year ended 30 June 2018.

10 Investments in associates

The Group	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Unquoted equity investments, at cost	**39,933**	39,933
Share of post-acquisition profit	**3,490**	4,056
	43,423	43,989
Share of associates' results, net of tax	**(566)**	(977)

The associates are as follows:

Name	Country of incorporation / principal place of business	Proportion of interests and voting rights held by the Group		Principal activities
		2018	2017	
		%	%	
Held by Wangsheng				
Fujian Tianwang Foods Co., Ltd ("Tianwang") (福建省天旺食品有限公司)	PRC	**45**	45	Production of canned food (fruits and vegetables)
Held by Tianwang				
Sanming Sennong Forestry Co., Ltd ("Sennong") (三明森农林业有限公司)	PRC	**45**	45	Self-cultivation of bamboo trees and bamboo shoots

These associates are accounted for using the equity method in these consolidated financial statements of the Group.

Aggregate information of associates that are not individually material

	Tianwang and its subsidiary	
	30 June 2018 RMB'000	30 June 2017 RMB'000
Revenue	**4,463**	5,720
Loss for the financial year, representing total comprehensive loss for the financial year	**(1,259)**	(2,171)
Share of loss and total comprehensive loss	**(566)**	(977)

11 Prepayments

		The Company		The Group	
		30 June 2018	30 June 2017	**30 June 2018**	30 June 2017
	Note	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Prepaid lease of mushroom farmlands, eucalyptus plantations and bamboo plantations		**–**	–	**–**	–
Prepaid maintenance cost		**–**	–	**–**	–
Prepaid other operating expenses		**126**	18	**126**	18
		126	18	**126**	18
Less: current portion	16	**(126)**	(18)	**(126)**	(18)
Non-current portion		**–**	–	**–**	–

The movement of prepaid lease of mushroom farmlands, eucalyptus plantations and bamboo plantations are analysed as follows:

		30 June 2018	30 June 2017
	Note	**RMB'000**	RMB'000
Balance at beginning of year		**18**	398,085
Addition		**108**	18
Amortisation	25	**–**	(47,435)
Written off to profit or loss (net)		**–**	(334,548)
Disposal (net)		**–**	(2,976)
Unaccountable (net)	24(d)	**–**	(13,126)
Balance at end of year		**126**	18

The remaining prepaid unexpired leases had been fully written off to profit or loss for the financial year ended 30 June 2017. The financial impact may be a loss of prepayments written off of RMB 334,548,000 as shown in the consolidated income statement.

Prepaid lease represented amounts paid by the Group for advance leases for the following:

Leases	**Remaining lease period**	**Gross land area (mu)**	
		30 June 2018	30 June 2017
Mushroom farmlands	N/A	**–**	519.5
Eucalyptus plantations	7 to 8 years	**–**	24,282
Bamboo plantations	7 to 11 years	**–**	129,426

Arising from the Fire Incident on 30 August 2017 that led to loss of financial records as described in Note 2(a) to the financial statements, certain adjustments were made to the financial books and records. These adjustments were related to prepaid lease amounted to RMB 13,126,000 where there is no information available and hence have been charged to the profit or loss under "Unaccountable expenses" for the financial year ended 30 June 2017. Refer Note 24(d) to the financial statements.

11 Prepayments (Cont'd)

Bamboo plantations

On 21 August 2018, the Board made an announcement that the leases to the moso bamboo plantations were disposed of in August 2017 but there were no proper authorisation by the Board. The total lease area was 129,696 mu instead of 129,426 mu, a difference of 270 mu.

All relevant information obtained from the Company's announcements regarding the acquisitions of the leases to the bamboo plantations made between financial year 2013 to 2016 for the total land area of 129,426 mu and aggregate carrying amounts of RMB 463,004,000 are as follows:

Subsidiary	Lease commencement date	RMB'000	Tenure	Size (Mu)	Location
Lijiashan (南平市李家山林业有限公司)	23-Apr-13	59,336^	15 years	11,032*	Yuantou Village, Shanxia Town, Pucheng County, Fujian Province, PRC
	5-May-14	78,901	10 years	22,543	Pucheng County, Fujian Province, PRC
	26-Jun-15	48,470	10 years	15,147	Pucheng County, Fujian Province, PRC
Shansheng (三明山盛林业有限公司)	9-Sep-14	234,500	10 years	67,000	Jiangle County, Fujian Province, PRC
	28-Jan-16	41,797	10 years	13,704	Jiangle County, Fujian Province, PRC
Total		463,004		129,426	

^ per the Company's announcement on 26 April 2013, approximately RMB 39,557,000 payable by 20 May 2013 and the balance of RMB 19,779,000 by 20 May 2021.

* per the Company's announcement on 9 January 2019, it clarifies that the area of the plantations was inaccurately stated in the Company's announcement dated 26 April 2013 as 11,032 mu instead of 11,302 mu.

On 23 August 2017, the Group entered into sale and purchase contracts with the buyers, who were also the subcontractors for the subsidiaries' moso bamboo plantations for maintenance and pest control services, for the disposal of moso bamboo plantations totalling gross area of 129,696 mu with an aggregate consideration totalling RMB 47,235,000. Consequently, the corresponding unexpired leases were also terminated.

The consideration sums for the disposal of moso bamboo plantations were set off against the amounts owed to the buyers totalling RMB 47,330,000. According to the sale and purchase contracts, the disposal transaction was purely by way of offsetting of accounts. The net amount after the offsetting of RMB 95,000 was paid in cash.

The disposal transactions were completed on 23 August 2017.

11 Prepayments (Cont'd)

Eucalytpus plantations

All relevant information obtained from the Company's announcements regarding the acquisitions of the leases to the eucalyptus plantation since financial year 2015 for the total land area of 24,282 mu and aggregate carrying amount of RMB10,963,000 are as follows:

Subsidiary	Lease commencement date	RMB'000	Tenure	Size (Mu)	Location
Fengwang (漳平市丰旺农产品有限公司)	11-Jan-15	609	10 years	1,689	福建省漳平市溪南镇吾老村--后坑
	29-Nov-14	672	10 years	1,780	福建省漳平市溪南镇官坑村--前田坪， 水渠坑
	29-Nov-14	597	10 years	1,580	福建省漳平市溪南镇官坑村--洋头，洋中坑
	21-Dec-14	366	10 years	1,031	福建省漳平市溪南镇金菊村--坑底，大坪口
	21-Dec-14	414	10 years	1,082	福建省漳平市溪南镇下河村--上下合泉
	21-Dec-14	356	10 years	931	福建省漳平市溪南镇下河村--水坑
	21-Dec-14	474	10 years	1,239	福建省漳平市溪南镇下河村--东湖里
Senwang (漳平市森旺林业有限公司)	1-Jan-15	3,210	10 years	6,420	福建省漳平市新桥镇钱坂村--高美
	1-Jan-15	1,310	10 years	2,620	福建省漳平市新桥镇高美村--秀枝头
	1-Jan-15	1,740	10 years	3,480	福建省漳平市溪南镇管坑村--芹菜洋
	1-Jan-15	1,215	10 years	2,430	福建省漳平市新桥镇澎湖村--白坂
Total		10,963		24,282	

In July/August 2017, the Group had entered into sale and purchase contracts with buyers, who were also the subcontractors for the subsidiaries' eucalyptus plantations for maintenance and pest control services, for the disposal of eucalyptus plantations totalling gross area of 24,282 mu with an aggregate consideration totalling RMB 14,103,000. Consequently, the corresponding unexpired leases were also terminated. An amount totalling RMB 4,390,000 relating to refunds from termination of these unexpired prepaid leases of eucalyptus plantations were received during the financial year ended 30 June 2018.

The consideration sums for the disposal of eucalyptus plantations were set off against the amounts owed to the buyers totalling RMB 14,002,000. According to the sale and purchase contracts, the disposal transaction was purely by way of offsetting of accounts. The net amount after the offsetting of RMB 101,000 was paid in cash.

The disposal transactions were completed between July 2017 and August 2017.

11 Prepayments (Cont'd)

Loss on disposal of biological assets

During the financial year ended 30 June 2017, the biological assets and its related prepaid leases at Zhangping Senwang Forestry Co., Ltd (漳平市森旺林业有限公司) and Zhangping Fengwang Agricultural Products Co., Ltd (漳平市丰旺农产品有限公司) with carrying amount of RMB 10,370,000 and RMB 2,192,000 respectively were disposed of for consideration sum of RMB 8,879,000 and RMB 1,930,000 respectively. This resulted in loss on disposal of biological assets of RMB 1,492,000 and RMB 261,000 respectively being reported.

	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Sales proceed		**–**	10,809
Less: Carrying value of prepaid leases		**–**	(2,976)
Less: Biological assets	5	**–**	(9,586)
Loss on disposal of biological assets		**–**	(1,753)

Mushroom farmlands

Arising from the Fire Incident on 30 August 2017, management are unable to provide relevant information for the mushroom farmlands.

12 Long term deposit

The Group and Company	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Deposit to acquire new office unit			
Balance at beginning of year		**–**	4,626
Transfer to property, plant and equipment on completion of acquisition	4	**–**	(4,626)
Balance at end of year		**–**	–

During the financial year ended 30 June 2017, the deposit paid for the acquisition of a new office unit was transferred to leasehold property under property, plant and equipment [see Note 4(f)] upon completion of acquisition.

13 Deferred taxation

The Group	Note	**2018 RMB'000**	2017 RMB'000
Deferred tax assets			
Balance at beginning of year		**(2,005)**	(2,005)
Tax charged to profit or loss			
- current year	26	**2,005**	–
Balance at end of year		**–**	(2,005)
Deferred tax liabilities			
Balance at beginning of year		**3,711**	3,711
Movement for the year		**28,415**	–
Balance at end of year		**32,126**	3,711

13 Deferred taxation (Cont'd)

The balance comprises tax on the following temporary differences:

The Group	Note	Gain on valuation of investment properties RMB'000	Gain on revaluation of leasehold properties RMB'000	Undistributed earning of subsidiaries RMB'000	Total RMB'000
At 1 July 2016, 30 June 2017 and 1 July 2017		–	–	3,711	3,711
Charged to other comprehensive income	24(f)	11,925	–	–	11,925
Charged to profit or loss	26	–	16,490	–	16,490
		11,925	16,490	–	28,415
At 30 June 2018		11,925	16,490	3,711	32,126

On 22 February 2008, the State Administration of Taxation of China issued a circular Caishui [2008] No.001, which imposes withholding tax on distribution of dividends from post 1 January 2008 profits to foreign investors. Accordingly, no deferred tax liabilities arise from undistributed profits of the Company's China subsidiaries accumulated up till 31 December 2007. Provision for deferred tax liabilities however, would be required on profits accumulated from 1 January 2008 onwards.

The deferred tax liabilities of RMB 3,711,000 (2017 - RMB 3,711,000) as at 30 June 2018 relate to the PRC withholding tax on the portion of the distributable profits to be derived from the Group's subsidiaries in the PRC which is expected to be distributed out as dividends to its shareholders. The Group has provided for withholding tax based on the dividends that would be required to be proposed or paid by certain subsidiaries under business conditions to meet its operational needs and shareholders' expectation.

14 Inventories

The Group	**30 June 2018 RMB'000**	30 June 2017 RMB'000
At cost,		
Finished goods	**10,986**	5,220
Raw materials	**16,833**	15,768
	27,819	20,988
Cost of inventories charged to profit or loss	**105,265**	*

* No information available

15 Trade and other receivables

	The Company		The Group	
	30 June 2018	30 June 2017	**30 June 2018**	30 June 2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
Trade receivables	**–**	–	**37,858**	96,235
Other receivables				
- third parties	**6**	29	**1,072**	13,547
Non-trade amount owing by:				
- a subsidiary	**154,071**	153,186	**–**	–
- an associate	**–**	–	**708**	–
- related parties	**–**	–	**17**	5,897
VAT receivable	**–**	–	**2,068**	1,599
	154,077	153,215	**3,865**	21,043
Advances to suppliers	**–**	–	**13,097**	24,497
Total trade and other receivables	**154,077**	153,215	**54,820**	141,775

Trade receivables are due within 30 to 90 days (2017 - 30 to 90 days) and do not bear any interest. All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regards to trade receivables, as the amounts recognised resemble a large number of receivables from various customers.

The non-trade amounts due from a subsidiary, an associate and related parties represent advances which are unsecured, non-interest bearing and repayable on demand.

VAT receivable relates to the percentage of qualifying purchases at the time the vendor invoices are processed.

Advances to suppliers relate to advance payments for the purchase of raw materials for processed food.

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	30 June 2018	30 June 2017	**30 June 2018**	30 June 2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
Chinese renminbi	**136,334**	136,334	**19,198**	98,260
Japanese yen	**–**	–	**78**	76
Singapore dollar	**17,743**	16,881	**6**	29
United States dollar	**–**	–	**35,538**	43,410
	154,077	153,215	**54,820**	141,775

15 Trade and other receivables (Cont'd)

The directors of the Company are unable to provide the historical default rates, and accordingly, take the position as no impairment is necessary in respect of trade receivables not past due or past due but not impaired.

Other receivables of RMB 14,894,000 (2017 - RMB 43,941,000) (excluding VAT receivable) are neither past due nor impaired.

Impairment on trade and other receivables is made on specific debts for which the directors of the Group are of the opinion that debts are not recoverable.

Arising from the Fire Incident on 30 August 2017 that led to loss of financial records as described in Note 2(a) to the financial statements, certain adjustments were made to the financial books and records. These adjustments of RMB Nil (2017 - RMB 54,469,000) were related to account balances and transactions where there is no information available and hence have been charged to the profit or loss under "Unaccountable expenses" for the financial years ended 30 June 2018 and 30 June 2017. Refer Note 24(d) to the financial statements.

16 Prepayment (current)

The Company and the Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Prepaid other operating expenses	11	**126**	18

17 Cash and bank balances

	The Company		**The Group**	
	30 June 2018 RMB'000	30 June 2017 RMB'000	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Cash on hand	**–**	–	**315**	201
Bank balances	**370**	2,131	**10,225**	6,427
As per statement of cash flows	**370**	2,131	**10,540**	6,628

Cash and bank balances are denominated in the following currencies:

	The Company		**The Group**	
	30 June 2018 RMB'000	30 June 2017 RMB'000	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Chinese renminbi	**17**	49	**2,971**	4,542
Hong Kong dollar	**–**	–	**4**	3
Singapore dollar	**346**	2,075	**353**	2,075
United States dollar	**7**	7	**7,212**	8
	370	2,131	**10,540**	6,628

18 Share capital

	Number of shares		Amount	
	30 June 2018	30 June 2017	**30 June 2018**	30 June 2017
The Company and the Group	**'000**	'000	**RMB'000**	RMB'000
Issued and fully paid ordinary shares with no par value:				
Balance at beginning of year	**176,798**	162,200	**322,210**	301,346
Issuance of ordinary shares under placement shares, net of transaction cost	**–**	14,598	**–**	20,864
Balance at end of year	**176,798**	176,798	**322,210**	322,210

Per ACRA registered records, the gross issued and paid up capital as at 30 June 2018 is S$69,312,309 (2017 - S$69,312,309).

During the financial year ended 30 June 2017, the Company issued 14,598,013 new ordinary shares under placement shares for a consideration of RMB 21,087,000 (equivalent to S$ 4,274,430), less transaction costs of RMB 223,000 (equivalent to S$ 45,300). The said shares were issued to an individual, who has interest in an entity which is a customer and supplier to the Group (see Note 29). Consequent to the share placement, the said individual becomes a substantial shareholder of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

19 Other reserves

(a) Share-based payment reserve

This share-based payment reserve comprises of the ordinary shares transferred by Sanwang International Holdings Limited ("Sanwang"), the former ultimate holding company, to an ex-key management personnel in accordance to the employment agreement with the Company.

(b) Statutory reserve

According to the PRC Company Law, the subsidiaries in PRC are required to transfer between 10% and 50% of their profits after taxation to statutory common reserve until the common reserve balance reaches 50% of the registered capital. For the purpose of calculating the transfer to this reserve, the profits after taxation shall be the amount determined under the PRC accounting standards. The transfer to this reserve must be made before the distribution of dividends to shareholders.

Statutory common reserve can be used to make good previous years' losses and for conversion to capital, if any, provided that the balance remains not less than 25% of the registered capital.

	30 June 2018	30 June 2017
The Group	**RMB'000**	RMB'000
Statutory common reserve		
Balance at beginning and at end of year	**71,135**	71,135

19 Other reserves (Cont'd)

(c) Revaluation reserve

Revaluation reserve arises from the revaluation of property, plant and equipment during the financial year ended 30 June 2018 in accordance with the requirements of FRS 16.

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Revaluation reserve			
Movement during the year and balance at end of year	24(f)	**35,775**	–

20 Trade and other payables

	The Company		**The Group**	
	30 June 2018 RMB'000	30 June 2017 RMB'000	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Trade payables	**–**	–	**15,184**	153,228
Trade amount owing to:				
- an associate	**–**	–	**–**	246
- other related parties	**–**	–	**–**	648
- a party which a substantial shareholder of the Company has interest in	**–**	–	**–**	440
Unaccountable balances	**–**	–	**59**	59
	–	–	**15,243**	154,621
Other payables	**6**	184	**387**	1,068
VAT payable	**–**	–	**3,724**	3,720
Government tax payable	**–**	–	**494**	496
Non-trade amount owing to:				
- a subsidiary	**2,435**	–	**–**	–
- an associate	**–**	–	**1,752**	–
- a party who is a substantial shareholder of the Company	**–**	–	**13,794**	7,850
Advances from customers	**–**	–	**20**	3,681
Accruals	**4,871**	2,825	**5,853**	3,723
Unaccountable balances	**–**	–	**29,290**	29,290
	7,312	3,009	**55,314**	49,828
	7,312	3,009	**70,557**	204,449

The carrying amount of trade payables, due to their short duration, approximates their fair values.

Other payables comprise mainly outstanding payment to the contractors and accrual for social insurances.

The non-trade amount owing to a subsidiary, an associate and a party who is a substantial shareholder of the Company represents advances which are non-interest bearing and are repayable on demand.

Accruals relate to liabilities for employee benefit costs and professional fees.

Unaccountable balances relate to amount balances and transactions where there is no information available.

20 Trade and other payables (Cont'd)

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	30 June 2018	30 June 2017	**30 June 2018**	30 June 2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
Chinese renminbi	**2,435**	–	**51,886**	190,623
Singapore dollar	**4,877**	3,009	**4,877**	6,171
United States dollar	**–**	–	**13,794**	7,655
	7,312	3,009	**70,557**	204,449

21 Bank borrowings

		The Company		The Group	
		30 June 2018	30 June 2017	**30 June 2018**	30 June 2017
	Note	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Secured bank loan:					
#1 Term loan	(a)	**4,887**	5,223	**4,887**	5,223
#2 Bank loan	(b)	**–**	–	**4,000**	–
		4,887	5,223	**8,887**	5,223
Amount repayable:					
Not later than one year		**378**	380	**4,378**	380
Later than one year and not later than five years		**1,627**	1,624	**1,627**	1,624
Later than five years		**2,882**	3,219	**2,882**	3,219
		4,509	4,843	**4,509**	4,843
		4,887	5,223	**8,887**	5,223

(a) The term loan of S$ 1,015,000 or RMB 4,887,000 (2017 - S$ 1,062,000 or RMB 5,223,000) is repayable over 150 monthly instalments commencing from 13 July 2016 with a principal payment of S$ 6,475 plus any applicable interest.

The loan is secured by a first ranking mortgage in the amount of S$ 1,730,000 [RMB 8,390,000 (2017 - RMB 7,971,000)] on its legal charges on a leasehold property - an office unit in GSH Plaza, Singapore [see Note 4(c)] belonging to the Company.

The Company has financial covenants attached to this term loan which relate to restriction of limits imposed on certain ratios to be maintained. During the financial year ended 30 June 2018, there are no known instances of any breach of loan covenants.

As at the end of the reporting period, the applicable floating interest rate is 2.9% (2017 - 3.0%) per annum below the applicable Enterprise Base Rate. The effective interest rate of the term loan ranges from 2.45% to 3.85% (2017 - 2.25% to 2.45%) per annum.

21 Bank borrowings (Cont'd)

(b) The bank loan of RMB 4,000,000 which comprises in two tranches of RMB 1,000,000 and RMB 3,000,000 loans drawn down, are repayable on 6 July 2018 and 27 August 2018 respectively. These loans are secured by, inter-alia:

- a personal guarantee by a director of the Company, Chen Qiuhai; and
- legal charges on the Group's leasehold properties of RMB 20,721,000 [see Note 4(c)], land use rights of land area of 16,400.68 sqm (see Note 6) and investment properties of RMB 37,729,000 [see Note 8(d)] belonging to a subsidiary, Wangsheng.

Interest is charged at 5.9% per annum.

As at the date of this report, these bank loans have been fully repaid.

Bank borrowings are denominated in the following currencies:

	The Company		The Group	
	30 June 2018 RMB'000	30 June 2017 RMB'000	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Chinese renminbi	**–**	–	**4,000**	–
Singapore dollar	**4,887**	5,223	**4,887**	5,223
	4,887	5,223	**8,887**	5,223

22 Revenue

The Group	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Self-cultivated		
- edible fungi	**–**	40,545
- bamboo trees and bamboo shoots	**346**	54,264
- eucalyptus	**9,713**	1,000
	10,059	95,809
Processed food products	**97,042**	128,263
	107,101	224,072

23 Other operating income

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Exchange gain, net	25	**84**	55
Government subsidies		**1,816**	2,370
Rental income	8(f)	**2,792**	2,243
Interest income	25	**–**	6
Property tax refund		**33**	–
Miscellaneous income		**493**	50
		5,218	4,724

Government subsidies were related to subsidies for a subsidiary's research and development projects received from government-related agencies in support of agricultural activities in the PRC.

24(a) Selling and distribution expenses

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Advertising fee		**9**	157
Amortisation of intangible assets	7	**5**	600
Courier expenses		**1,613**	5,282
Depreciation of property, plant and equipment	4	**7**	9
Employee benefit costs	24(g)	**586**	607
Others		**291**	43
		2,511	6,698

24(b) Administrative expenses

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Amortisation of land use rights	6, 25	**542**	542
Audit fees paid/payable to:			
- auditors of the Company	25	**970**	985
- other auditors	25	**–**	860
Non-audit fees:			
- auditors of the Company		**412**	–
- other auditors		**–**	129
Depreciation of property, plant and equipment	4	**453**	1,853
Depreciation of investment properties	8, 25	**2,082**	–*
Directors' fees	24(g)	**656**	656
Employee benefit costs		**6,535**	5,535
	24(g)	**7,191**	6,191
Legal and professional fees		**1,070**	280
Research expenses	25	**5,089**	6,162
Stamp duty and other taxes		**1,267**	988
Transport expenses		**735**	605
Utilities		**872**	2,302
Others		**2,757**	3,128
		23,440	24,025

* No information available

24(c) Other operating expenses

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Intangible assets written off	7	**–**	2,100
Others		**484**	–
		484	2,100

24(d) Unaccountable expenses

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Unaccountable expenses:			
Property, plant and equipment	4	**–**	67,496
Prepayments	11	**–**	13,126
Trade and other receivables	15	**–**	54,469
Non-cash items		**–**	135,091
Cash		**1,675**	4,683
		1,675	139,774

Arising from the Fire Incident on 30 August 2017 that led to loss of financial records as described in Note 2(a) to the financial statements, certain adjustments were made to the financial books and records. These adjustments were related to account balances and transactions where there is no information available and hence have been charged to the profit or loss under "Unaccountable expenses" for the financial years ended 30 June 2017 and 30 June 2018.

24(e) Finance costs

The Group	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Interest expenses on bank loans	**261**	112

24(f) Other comprehensive income, net of tax

The Group	Note	**2018 Before tax RMB'000**	**2018 Tax expense RMB'000**	**2018 Net of tax RMB'000**
Revaluation gain on leasehold properties	4, 13, 19	**47,700**	**(11,925)**	**35,775**

The Group	2017 Before tax RMB'000	2017 Tax expense RMB'000	2017 Net of tax RMB'000
Revaluation gain on leasehold properties	–	–	–

24(g) Employee benefit costs

The Group	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Salaries and related costs	**18,992**	14,020
Contributions to defined contribution plans	**745**	1,040
	19,737	15,060

Represented as follows:

		The Company		The Group	
	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Directors' fee	24(b)	**656**	656	**656**	656
Short-term benefits		**944**	1,163	**1,507**	1,621
		1,600	1,819	**2,163**	2,277
Others		**–**	–	**17,574**	12,783
		1,600	1,819	**19,737**	15,060
Analysed into:					
Directors of the Company		**857**	950	**857**	950
Directors of the subsidiaries		**–**	–	**260**	205
Key management personnel		**743**	869	**1,046**	1,122
		1,600	1,819	**2,163**	2,277
Other than directors and key management personnel		**–**	–	**17,574**	12,783
		1,600	1,819	**19,737**	15,060

Employee benefit costs are charged to:

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Cost of sales		**11,960**	8,262
Selling and distribution expenses	24(a)	**586**	607
Administrative expenses	24(b)	**7,191**	6,191
		19,737	15,060

25 Profit/(loss) before taxation

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Profit/(loss) before taxation has been arrived at after charging:			
Amortisation of intangible assets	7	**5**	600
Amortisation of land use rights	6, 24(b)	**542**	542
Amortisation of biological assets			
- synthetic logs	5	**193**	7,380
Amortisation of prepaid leases of:			
- bamboo plantations		**–**	44,323
- eucalyptus plantations		**–**	3,112
Amortisation of prepaid maintenance cost - eucalyptus plantations		**–**	*
Amortisation of prepaid other operating expenses		**–**	*
	11	**–**	47,435
Depreciation of property, plant and equipment	4(a)	**1,169**	3,927
Depreciation of investment properties	8, 24(b)	**2,082**	–*
Operating lease expenses - office premises		**96**	110
Maintenance cost - bamboo plantations		**–**	*
Outsourced cutting costs - bamboo shoots and bamboo trees		**–**	*
		–	*
Employee benefit costs	24(g)	**19,737**	15,060
Audit fees paid/payable to:			
- auditors of the Company	24(b)	**970**	985
- other auditors	24(b)	**–**	860
		970	1,845
Non-audit fees:			
- auditors of the Company		**412**	–
- other auditors		**–**	129
		412	129
Research expenses	24(b)	**5,089**	6,162
Loss on disposal of biological assets	11	**–**	1,753
Intangible assets written off	7	**–**	2,100
Unaccountable expenses	24(d)	**1,675**	139,774
and crediting			
Exchange gain, net	23	**84**	55
Interest income	23	**–**	6

* No information available

26 Taxation

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Current taxation			
- Current financial year		**41**	387
- Under/(over) provision in respect to prior years		**58**	(735)
		99	(348)
Deferred taxation			
Origination and reversal of temporary difference	13	**18,495**	–
		18,594	(348)

The tax expense/(credit) on the results of the financial year varies from the amount of income tax determined by applying the relevant statutory rate of income tax on Group's results as a result of the following:

The Group	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Profit/(loss) before taxation	**47,730**	(778,047)
Income tax calculated at the applicable tax rate in PRC where the Group's taxable income is mainly derived	**11,933**	(194,512)
Tax effect of share of results of associates	**(142)**	(244)
Tax effect on non-taxable income	**(16,703)**	(604)
Tax effect on non-deductible expenses	**1,943**	148,538
Under/(over) provision in respect to prior years	**58**	(735)
Effect of different tax rates	**354**	(1,251)
Origination and reversal of temporary difference	**18,495**	–
Others, including unreconciled items	**2,656**	48,460
	18,594	(348)

Applicable tax rate

The subsidiaries are subject to the Enterprise Income Tax Law of the PRC adopted by the National People's Congress and came into force on 1 January 2008. The income tax rate applicable to the following entities within the Group in its country of jurisdiction is as follows:

	Tax rate
The Company	17%
Wangsheng	25%
Yuanwang	25%
Kangzhimei	25%
Fengzhiqiu	16.5%
Fengwang	According to the approval issued by Zhangping State Tax Bureau dated 9 March 2012, Fengwang has obtained full tax exemption for income tax from Fujian tax authority for income derived from cultivation, preliminary processing of agricultural products up to 6 October 2028.
Senwang	According to the approval issued by Zhangping State Tax Bureau dated 12 April 2012, Senwang has obtained full tax exemption for income tax from Fujian tax authority for income derived from cultivation of agricultural products up to 31 May 2031.

26 Taxation (Cont'd)

Lijiashan	According to the approval issued by Pucheng State Tax Bureau dated 9 January 2015, Lijiashan has obtained full tax exemption for income tax from Pucheng tax authority for income derived from cultivation of agricultural products up to 31 December 2015. The full tax exemption has been renewed to 31 December 2018.
Shansheng	According to the approval issued by Jiangle State Tax Bureau dated 25 November 2014, Shansheng has obtained full tax exemption for income tax from Jiangle tax authority for income derived from cultivation of agricultural products up to 21 July 2034.

In the financial year ended 30 June 2017, non-deductible expenses included in the tax reconciliation of the Group relate mainly to the write offs of prepayments, intangible assets, unaccountable expenses and gain/loss from changes in fair values of biological assets which are not tax deductible.

In the financial year ended 30 June 2018, non-deductible expenses included in the tax reconciliation of the Group relate mainly to depreciation and the write offs of unaccountable expenses which are not tax deductible.

Non-taxable income relates to certain types of income exempted from tax including gain from changes in fair values of leasehold properties.

27 Earnings/(loss) per share

The Group	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Net profit/(loss) attributable to equity holders of the Company	**29,136**	(777,699)

	30 June 2018 '000	30 June 2017 '000
Weighted average number of ordinary shares outstanding for the purpose of diluted earnings per share	**176,798**	175,758

The Group	**30 June 2018 RMB**	30 June 2017 RMB
Basic earnings/(loss) per share (cents)	**16.5**	(442.5)
Diluted earnings/(loss) per share (cents)	**16.5**	(442.5)

Basic earnings/(loss) per share

Basic earnings/(loss) per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the Company (for the purpose of basic earnings/(loss) per share) by the weighted average number of ordinary shares outstanding during the financial year.

The weighted average number of ordinary shares outstanding for basic earnings/(loss) per share during the financial period is the number of ordinary shares outstanding at the beginning of the period adjusted by the weighted average number of ordinary shares outstanding during the period/year.

In 2017, the weighted average number of shares outstanding during the period is the number of ordinary shares at the beginning of the period, adjusted by the number of ordinary shares issued in share placement (see Note 18) during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the periods.

27 Earnings/(loss) per share (Cont'd)

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share amounts are calculated by dividing net profit/(loss) attributable to ordinary equity holders of the Company (for the purpose of diluted earnings/(loss) per share) by the weighted average number of ordinary shares outstanding during the financial period/year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares, if any. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

In the current and previous financial year, diluted earnings/(loss) per share are the same as basic earnings/(loss) per share as the Group does not have any dilutive potential ordinary shares and issuance of ordinary shares for less than the average market price of the ordinary shares.

28 Dividends

The Company	**2018** **RMB'000**	2017 RMB'000
Dividends paid		
- Ordinary dividends:		
First and final tax exempt (one-tier) dividend of RMB Nil (2017 - RMB0.00792) cents per share paid in respect of the previous financial year	**–**	1,401

On 11 October 2016, the Board of Directors of the Company recommended a first and final tax-exempt dividend of approximately RMB 0.008 per ordinary share amounting to RMB 1,298,000 based on 162,200,151 ordinary shares to be paid in respect of the financial year ended 30 June 2016.

Pursuant to the announcement dated 8 July 2016 on the results of the share placement, all 14,598,013 placement shares were allotted and issued by the Company on 27 July 2016 (Note 18). These placement shares rank pari passu in all respects with the then existing shares for any dividends, rights, allotments or other distributions which fall on or after the date of issues of right shares. As a result of this share placement, the final tax-exempt dividend paid amounted to approximately RMB 1,401,000 based on 176,798,164 ordinary shares in respect of the financial year ended 30 June 2017.

29 Related party transactions

In relation to the related party information disclosed elsewhere in the financial statements, the following are significant transactions with related parties at mutually agreed amounts:

The Group	**30 June 2018** **RMB'000**	30 June 2017 RMB'000
Purchases from a party which a substantial shareholder of the Company has interest in	**–**	2,548
Purchases from a party related to a director of the Company	**574**	1,271
Purchases from an associate	**3,329**	24,600
Advance to an associate	**–**	–
The Company		
Settlement of liabilities on behalf by a subsidiary	**833**	347
Settlement of liabilities on behalf of a subsidiary	**–**	49
Advances from a subsidiary	**1,602**	–
Advances to a subsidiary	**885**	17,167

30 Commitments

(i) Operating lease commitment (non-cancellable)

Where Group is the lessee

At the end of the reporting period, the Group was committed to making the following lease payment under non-cancellable operating leases for office premises:

The Group	**30 June 2018** **RMB'000**	30 June 2017 RMB'000
Not later than one year	**47**	96
Later than one year and not later than five years	**47**	–
Later than five years	**–**	–
	94	96

As at 30 June 2017, the non-cancellable operating lease commitment was related to the rental of office premises located at 105 Cecil Street, #22-00 The Octagon, Singapore 069534.

As at 30 June 2018, the non-cancellable operating lease commitment relates to the rental of mushroom farmland located at 漳平市溪南镇上坂村.

(ii) Capital commitments

The Group's capital commitments contracted but not provided for in the consolidated financial statements are as follows:

The Group	**2018** **RMB'000**	2017 RMB'000
Purchase of synthetic logs	**2,037**	2,756

31 Statement of operations by segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker.

A segment is a distinguishable component of the Group that is engaged with either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of respective entities within Group.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense.

There is no change from the prior periods in the measurement methods used to determine reported segment profit or loss.

31 Statement of operations by segments (Cont'd)

Allocation basis and transfer pricing

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax expense.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transaction with third parties, if any.

Business segments

The Group is organised into the following business segments, namely:

Self-cultivated edible fungi and moso bamboos

The self-cultivated edible fungi segment comprises the shiitake mushroom cultivated at the Group's cultivation bases.

The self-cultivated moso bamboos comprises the spring bamboo shoots, winter bamboo shoots and bamboo trees.

The eucalyptus trees comprises the excess harvested eucalyptus trees which are not in use as synthetic logs for production of edible fungi.

Processed food products

The processed food products segment comprises processed vegetable products and dietary fibre food products (including konjac-based processed food products).

Corporate

Corporate comprises the Company, which principal activity is that of investment holding company.

31 Statement of operations by segments (Cont'd)

(a) Business segments

The Group	Self-cultivated edible fungi and moso bamboos 30 June 2018 RMB'000	30 June 2017 RMB'000	Processed food products 30 June 2018 RMB'000	30 June 2017 RMB'000	Corporate 30 June 2018 RMB'000	30 June 2017 RMB'000	Total 30 June 2018 RMB'000	30 June 2017 RMB'000
Revenue								
Sales	**10,059**	95,809	**97,042**	128,263	**–**	–	**107,101**	224,072
Results								
Segment results	**(1,870)**	(132,202)	**(12,735)**	(63,383)	**(4,776)**	(5,145)	**(19,381)**	(200,730)
Fair value gain on investment properties	**1,311**	–	**65,504**	–	**–**	–	**66,815**	–
Refunds from termination of unexpired prepaid leases of eucalyptus plantations	**4,390**	–	**–**	–	**–**	–	**4,390**	–
Reversal of impairment loss on leasehold property	**–**	–	**–**	–	**532**	–	**532**	–
Loss from changes in fair value of biological assets	**–**	(99,229)	**–**	–	**–**	–	**–**	(99,229)
Impairment loss on leasehold property	**–**	–	**–**	–	**–**	(924)	**–**	(924)
Investment properties written off	**–**	–	**(2,124)**	–	**–**	–	**(2,124)**	–
Prepayments written off	**–**	(334,548)	**–**	–	**–**	–	**–**	(334,548)
Loss on disposal of biological assets	**–**	(1,753)	**–**	–	**–**	–	**–**	(1,753)
Unaccountable expenses	**(197)**	(46,748)	**(1,478)**	(93,026)	**–**	–	**(1,675)**	(139,774)
Finance costs	**1**	2	**(169)**	(35)	**(93)**	(79)	**(261)**	(112)
Share of associates' losses	**–**	–	**(566)**	(977)	**–**	–	**(566)**	(977)
Profit/(loss) before taxation	**3,635**	(614,478)	**48,432**	(157,421)	**(4,337)**	(6,148)	**47,730**	(778,047)
Taxation	**(114)**	–	**(18,480)**	(387)	**–**	735	**(18,594)**	348
Profit/(loss) for the financial year	**3,521**	(614,478)	**29,952**	(157,808)	**(4,337)**	(5,413)	**29,136**	(777,699)

31 Statement of operations by segments (Cont'd)

(a) Business segments (Cont'd)

	Self-cultivated edible fungi and moso bamboos		Processed food products		Corporate		Total	
	30 June 2018	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
The Group								
Other segment information								
Segment assets	**9,325**	140,583	**340,511**	236,963	**8,897**	16,049	**358,733**	393,595
Investments in associates	**–**	–	**43,423**	39,933	**–**	4,056	**43,423**	43,989
Segment liabilities	**1,170**	126,958	**64,292**	70,266	**9,764**	8,232	**75,226**	205,456
Capital expenditure								
- property plant and equipment	**13**	3	**645**	4,083	**6**	4,268	**664**	8,354
- intangible assets	**–**	–	**39**	–	**–**	–	**39**	–
Additions to biological assets – synthetic logs	**2,756**	–	**–**	–	**–**	–	**2,756**	–
Amortisation of land use rights	**95**	95	**447**	447	**–**	–	**542**	542
Amortisation of biological assets – synthetic logs	**193**	7,380	**–**	–	**–**	–	**193**	7,380
Amortisation of prepayments	**–**	47,435	**–**	–	**–**	–	**–**	47,435
Amortisation of intangible assets	**–**	–	**5**	600	**–**	–	**5**	600
Intangible assets written off	**–**	–	**–**	2,100	**–**	–	**–**	2,100
Investment properties written off	**–**	–	**2,124**	–	**–**	–	**2,124**	–
Depreciation of property, plant and equipment	**183**	200	**869**	3,721	**117**	6	**1,169**	3,927
Depreciation of investment properties	**–**	–	**2,082**	–	**–**	–	**2,082**	–
Fair value gain on investment properties	**1,311**	–	**65,504**	–	**–**	–	**66,815**	–

31 Statement of operations by segments (Cont'd)

(b) Geographical segments

The following table shows the distribution of the Group's sales based on geographical location of customers:

The Group	**2018 RMB'000**	2017 RMB'000
Revenue		
- Japan	**90,851**	*
- Netherlands	**847**	*
- The People's Republic of China	**15,403**	103,617
	107,101	224,072

* No information available

The following table shows the non-current assets by the geographical area in which the assets are located:

The Group	**2018 RMB'000**	2017 RMB'000
Non-current assets		
- The People's Republic of China	**302,524**	261,800
- Singapore	**8,395**	7,974
	310,919	269,774

(c) Reconciliation of segments' total assets and total liabilities

The Group	**2018 RMB'000**	2017 RMB'000
Reportable segments' assets are reconciled to total assets:		
Segment assets	**358,733**	393,595
Investments in associates	**43,423**	43,989
Deferred tax assets	**–**	2,005
VAT receivable	**2,068**	1,599
	404,224	441,188

The Group	**2018 RMB'000**	2017 RMB'000
Reportable segments' liabilities are reconciled to total liabilities:		
Segment liabilities	**75,226**	205,456
Deferred tax liabilities	**32,126**	3,711
Current income tax payable	**21**	83
VAT payable	**3,724**	3,720
Government tax payable	**494**	496
	111,591	213,466

31 Statement of operations by segments (Cont'd)

(d) Information about major customers

The revenue from one customer of the Group's processed food products segment amounted to approximately RMB 62,610,000 (2017 - RMB 65,279,000) and accounted for 58% (2017 - 29%) of the Group's revenue.

32 Financial risk management objectives and policies

The Group does not have written risk management policies and guidelines. The Board of Directors meets periodically to analyse and formulate measures manage risks. The Group's activities expose it to credit risks, market risks (including foreign currency risks, interest rate risks and price risks) and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

Generally, the Group employs a conservative strategy regarding its risk management. The Group does not hold or issue derivative financial instruments for trading purposes.

As at 30 June 2018 and 30 June 2017, the Group's financial instruments mainly consisted of cash and bank balances, financial assets and financial liabilities.

32.1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group operates and sells its products in other countries other than PRC and transacts in foreign currencies. As a result, the Group is exposed to movements in foreign currency exchange rates arising from normal trading transactions, primarily with respect to United States Dollar. However, the Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

The Company's currency exposures based on the information provided to key management is as follows:

The Company	Note	**Singapore dollar RMB'000**	**United States dollar RMB'000**	**Total RMB'000**
2018				
Trade and other receivables	15	**17,743**	**–**	**17,743**
Cash and bank balances	17	**346**	**7**	**353**
		18,089	**7**	**18,096**
Trade and other payables	20	**(4,877)**	**–**	**(4,877)**
Bank borrowings	21	**(4,887)**	**–**	**(4,887)**
		(9,764)	**–**	**(9,764)**

32 Financial risk management objectives and policies (Cont'd)

32.1 Foreign currency risk (Cont'd)

The Company	Note	Singapore dollar RMB'000	United States dollar RMB'000	Total RMB'000
2017				
Trade and other receivables	15	16,881	–	16,881
Cash and bank balances	17	2,075	7	2,082
		18,956	7	18,963
Trade and other payables	20	(3,009)	–	(3,009)
Bank borrowings	21	(5,223)	–	(5,223)
		(8,232)	–	(8,232)

The Group's currency exposures based on the information provided to key management is as follows:

The Group	Note	Japanese yen RMB'000	Hong Kong dollar RMB'000	Singapore dollar RMB'000	United States dollar RMB'000	Total RMB'000
2018						
Trade and other receivables	15	**78**	**–**	**6**	**35,538**	**35,622**
Cash and bank balances	17	**–**	**4**	**353**	**7,212**	**7,569**
		78	**4**	**359**	**42,750**	**43,191**
Trade and other payables	20	**–**	**–**	**(4,877)**	**(13,794)**	**(18,671)**
Bank borrowings	21	**–**	**–**	**(4,887)**	**–**	**(4,887)**
		–	**–**	**(9,764)**	**(13,794)**	**(23,558)**
2017						
Trade and other receivables	15	76	–	29	43,410	43,515
Cash and bank balances	17	–	3	2,075	8	2,086
		76	3	2,104	43,418	45,601
Trade and other payables	20	–	–	(6,171)	(7,655)	(13,826)
Bank borrowings	21	–	–	(5,223)	–	(5,223)
		–	–	(11,394)	(7,655)	(19,049)

32 Financial risk management objectives and policies (Cont'd)

32.1 Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies (against RMB), with all other variables held constant, of the Company's and the Group's results net of tax and equity.

	2018		2017	
	Increase/(decrease) on		Increase/(decrease) on	
The Company	**Profit/(loss) net of tax RMB'000**	**Equity RMB'000**	(Loss)/profit net of tax RMB'000	Equity RMB'000
Singapore dollar				
- strengthened 5% (2017 - 5%)	**(345)**	**(345)**	(445)	(445)
- weakened 5% (2017 - 5%)	**345**	**345**	445	445
United States dollar				
- strengthened 5% (2017 - 5%)	*	*	*	*
- weakened 5% (2017 - 5%)	*	*	*	*

* Less than RMB 1,000

	2018		2017	
	Increase/(decrease) on		Increase/(decrease) on	
The Group	**Profit/(loss) net of tax RMB'000**	**Equity RMB'000**	(Loss)/profit net of tax RMB'000	Equity RMB'000
Japanese yen				
- strengthened 5% (2017 - 5%)	**–**	**–**	(3)	(3)
- weakened 5% (2017 - 5%)	**–**	**–**	3	3
Hong Kong dollar				
- strengthened 5% (2017 - 5%)	*	*	*	*
- weakened 5% (2017 - 5%)	*	*	*	*
Singapore dollar				
- strengthened 5% (2017 - 5%)	**390**	**390**	386	386
- weakened 5% (2017 - 5%)	**(390)**	**(390)**	(386)	(386)
United States dollar				
- strengthened 5% (2017 - 5%)	**(1,111)**	**(1,111)**	(1,341)	(1,341)
- weakened 5% (2017 - 5%)	**1,111**	**1,111**	1,341	1,341

* Less than RMB 1,000

32 Financial risk management objectives and policies (Cont'd)

32.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's and the Group's financial instrument will fluctuate because of the changes in market interest rates.

The Company's and the Group's exposure to interest rate risk arises primarily from cash placed with financial institutions and bank borrowings. The table below sets out the carrying amount, by maturity, of the Company's and the Group's financial instruments that are exposed to interest rate risk:

The Company	Within 1 year RMB'000	1-2 years RMB'000	2-3 years RMB'000	More than 3 years RMB'000	Total RMB'000
2018					
Floating rate					
Bank borrowings	**(378)**	**(407)**	**(407)**	**(3,695)**	**(4,887)**
Cash and bank balances	**370**	**–**	**–**	**–**	**370**
2017					
Floating rate					
Bank borrowings	(380)	(380)	(380)	(4,083)	(5,223)
Cash and bank balances	2,131	–	–	–	2,131
The Group					
2018					
Floating rate					
Bank borrowings	**(4,378)**	**(407)**	**(407)**	**(3,695)**	**(8,887)**
Cash and bank balances	**10,540**	**–**	**–**	**–**	**10,540**
2017					
Floating rate					
Bank borrowings	(380)	(380)	(380)	(4,083)	(5,223)
Cash and bank balances	6,628	–	–	–	6,628

32.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade receivables. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition.

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 with the result that the Group's exposure to bad debts is not significant.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties except for one (2017 - one) trade receivable from third party amounting to approximately 86% (2017 - 45%) of total trade receivables as at the end of the financial year.

The Company does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics other than the amount owing by a subsidiary.

32 Financial risk management objectives and policies (Cont'd)

32.3 Credit risk (Cont'd)

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and bank balances and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

As the Group and the Company do not hold any collateral as at the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the statements of financial position.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

32.4 Liquidity risk

Liquidity or funding risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or other financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's and the Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows over the remaining contractual maturities:

The Company	**Less than 1 year RMB'000**	**Between 1 to 5 years RMB'000**	**Above 5 years RMB'000**	**Total RMB'000**
As at 30 June 2018				
Trade and other payables	**7,312**	**–**	**–**	**7,312**
Bank borrowings	**563**	**2,254**	**3,291**	**6,108**
	7,875	**2,254**	**3,291**	**13,420**
As at 30 June 2017				
Trade and other payables	3,009	–	–	3,009
Bank borrowings	528	2,283	3,654	6,465
	3,537	2,283	3,654	9,474

The Group				
As at 30 June 2018				
Trade and other payables (less VAT and government tax)	**66,339**	**–**	**–**	**66,339**
Bank borrowings	**4,563**	**2,254**	**3,291**	**10,108**
	70,902	**2,254**	**3,291**	**76,447**
As at 30 June 2017				
Trade and other payables (less VAT and government tax)	200,233	–	–	200,233
Bank borrowings	528	2,283	3,654	6,465
	200,761	2,283	3,654	206,698

32 Financial risk management objectives and policies (Cont'd)

32.4 Liquidity risk (Cont'd)

The unutilised bank credit facilities of the Group are as follows:

The Group	**30 June 2018** **RMB'000**	30 June 2017 RMB'000
Unutilised bank credit facilities	**28,312**	32,482

32.5 Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group's exposure to price risk arose from changes in bamboo and mushroom prices. The Group did not enter into derivative or other contracts to manage the risk of a decline in bamboo and mushrooms prices. The Group reviewed its outlook of bamboo and mushroom prices regularly in considering the need for active financial risk management.

32.6 Risk management strategy related to agricultural activities

The Group was exposed to the following risks relating to its eucalyptus trees and moso bamboo plantations:

Regulatory and environmental risks

The Group was subjected to laws and regulations in Fujian province, China in which it operated in. The Group had established environmental policies and procedures aimed at compliance with local environmental and other laws.

Supply and demand risk

The Group was exposed to risks arising from fluctuations in the price and sales volume of bamboo and mushrooms. When possible, the Group managed this risk by aligning its harvest volume to market supply and demand. Management performed regular industry trend analyses for projected harvest volumes and pricing.

Climate and other risk

The Group's eucalyptus trees and moso bamboo plantations were exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group had extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

32.7 Fair value measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

There were no transfers into or out of fair value hierarchy levels for financial years ended 30 June 2018 and 2017.

32 Financial risk management objectives and policies (Cont'd)

32.7 Fair value measurements (Cont'd)

Valuation policies and procedures

The Group's Chief Financial Officer ("CFO"), who is assisted by the financial controllers (collectively referred to as the "CFO office") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the CFO office reports to the Audit Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and FRS 113 *Fair Value Measurement* guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The CFO office documents and reports its analysis and results of the external valuations to the Audit Committee on a yearly basis. The Audit Committee performs a high-level independent review of the valuation process and results and recommends if any revisions need to be made before presenting the results to the Board of Directors for approval.

32 Financial risk management objectives and policies (Cont'd)

32.7 Fair value measurements (Cont'd)

Fair value measurement of non-financial assets

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of investment properties, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below:

Description	Valuation technique	Significant unobservable inputs	Range of unobservable inputs 2018	Range of unobservable inputs 2017	Inter-relationship of key unobservable inputs and fair value
Factory and office building located at No. 300 Houyu Jingxi Town, Minhou County, Fuzhou City Fujian Province, The PRC	Income approach	Capitalization Rate	**5.50% to 6.00%**	Nil	The higher the capitalization rate, the lower the fair value of the investment property
		Vacancy Rate	**5%**	Nil	The higher the vacancy rate, the lower the fair value of the investment property
		Monthly Market Rent (per Sqm)	**27 RMB / Month**	Nil	The higher the market rent, the higher the fair value of the investment property
Factory and office building located at No. 2 Dongling Road, Minhou Economic and Technological Development Zone, Ganzhe Street Minhou County, Fuzhou City Fujian Province, The PRC	Income approach	Capitalization Rate	**5.50% to 6.00%**	Nil	The higher the capitalization rate, the lower the fair value of the investment property
		Vacancy Rate	**15%**	Nil	The higher the vacancy rate, the lower the fair value of the investment property
		Monthly Market Rent (per Sqm)	**13 RMB to 28 RMB / Month**	Nil	The higher the market rent, the higher the fair value of the investment property
Luoan Food Industrial Park, Houfu Village, Guilin Street, Zhangping City Fujian Province, The PRC	Income approach	Capitalization Rate	**5.50% to 6.00%**	Nil	The higher the capitalization rate, the lower the fair value of the investment property
		Vacancy Rate	**15%**	Nil	The higher the vacancy rate, the lower the fair value of the investment property
		Monthly Market Rent (per Sqm)	**7 RMB to 15 RMB / Month**	Nil	The higher the market rent, the higher the fair value of the investment property

32 Financial risk management objectives and policies (Cont'd)

32.7 Fair value measurements (Cont'd)

Fair value measurement of non-financial assets (Cont'd)

Description	Valuation technique	Significant unobservable inputs	Range of unobservable inputs 2018	2017	Inter-relationship of key unobservable inputs and fair value
Warehouse and shophouse located at No. 2 Shengfeng Road Liantang Town Pucheng County Nanping City Fujian Province, The PRC	Income approach	Capitalization Rate	**5.50% to 6.00%**	Nil	The higher the capitalization rate, the lower the fair value of the investment property
		Vacancy Rate	**30%**	Nil	The higher the vacancy rate, the lower the fair value of the investment property
		Monthly Market Rent (per Sqm)	**9 RMB / Month**	Nil	The higher the market rent, the higher the fair value of the investment property

33 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholders' value.

The Company and the Group manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company and the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2018 and 2017.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 18 and 19 to the financial statements.

As disclosed in Note 19(b) to the financial statements, the subsidiaries are required by relevant laws and regulations of the PRC to contribute and to maintain a non-distributable PRC statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the subsidiaries for the financial years ended 30 June 2018 and 2017.

33 Capital management (Cont'd)

The Group monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as trade and other payables plus bank borrowings less cash and cash equivalents.

Total capital is calculated as equity plus net debt.

		The Company		The Group	
		30 June 2018	30 June 2017	**30 June 2018**	30 June 2017
	Note	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Trade and other payables	20	**7,312**	3,009	**70,557**	204,449
Bank borrowings	21	**4,887**	5,223	**8,887**	5,223
		12,199	8,232	**79,444**	209,672
Less: Cash and bank balances	17	**(370)**	(2,131)	**(10,540)**	(6,628)
Net debt		**11,829**	6,101	**68,904**	203,044
Equity attributable to the equity holders of the Company		**300,531**	304,868	**292,633**	227,722
Total capital		**312,360**	310,969	**361,537**	430,766
Gearing ratio		**3.8%**	2.0%	**19.1%**	47.1%

There were no changes in the Company's and the Group's approach to capital management during the year.

34 Financial instruments

34.1 Fair values

The carrying amount of financial assets and financial liabilities with a maturity of less than one year is assumed to approximate their fair values.

34.2 Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category were as follows:

		30 June 2018	30 June 2017
The Company	Note	**RMB'000**	RMB'000
Financial assets			
Loans and receivables:			
Trade and other receivables (less VAT receivable and advances to suppliers)	15	**154,077**	153,215
Cash and bank balances	17	**370**	2,131
		154,447	155,346
Financial liabilities at amortised cost			
Trade and other payables (less VAT payable and government tax payable)	20	**7,312**	3,009
Bank borrowings	21	**4,887**	5,223
		12,199	8,232

34 Financial instruments (Cont'd)

34.2 Accounting classifications of financial assets and financial liabilities (Cont'd)

The Group	Note	**30 June 2018 RMB'000**	30 June 2017 RMB'000
Financial assets			
Loans and receivables:			
Trade and other receivables (less VAT receivable and advances to suppliers)	15	**39,655**	115,679
Cash and bank balances	17	**10,540**	6,628
		50,195	122,307
Financial liabilities at amortised cost			
Trade and other payables (less VAT payable and government tax payable)	20	**66,339**	200,233
Bank borrowings	21	**8,887**	5,223
		75,226	205,456

STATISTICS OF SHAREHOLDINGS

As at 16 January 2019

SHAREHOLDING INFORMATION

Total Number. of Shares	:	176,798,164
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share (excluding treasury shares)
Treasury shares	:	Nil

ANALYSIS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1 - 99	11	0.91	620	0.00
100 – 1,000	179	14.82	86,682	0.05
1,001 – 10,000	641	53.06	3,034,740	1.72
10,001 - 1,000,000	365	30.22	18,415,465	10.41
1,000,001 and above	12	0.99	155,260,657	87.82
GRAND TOTAL	1,208	100.00	176,798,164	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

		DIRECT INTEREST		DEEMED INTEREST	
	NAME	NO. OF SHARES	%	NO. OF SHARES	%
1.	Sanwang International Holdings Limited(1)	–	–	62,931,015	35.59
2.	Chen Qiuhai(1)	–	–	62,931,015	35.59
3.	Hydrex International Pte. Ltd.	12,600,000	7.13	–	–
4.	Goi Seng Hui(2)	21,626,661	12.23	12,600,000	7.13
5.	Envictus International Holdings Limited	18,535,320	10.48	–	–

The percentage of shareholding above is computed based on the total number of issued shares of 176,798,164 excluding treasury shares.

Notes:

(1) Sanwang International Holdings Limited ("Sanwang") is a company incorporated in British Virgin Island and wholly-owned by Mr Chen Qiuhai. Accordingly, Mr Chen Qiuhai is deemed to be interests in 62,931,015 ordinary shares held by Sanwang by virtue of Section 4 of the Securities and Future Act. Sanwang is deemed to be interested in 62,931,015 ordinary shares held under the nominee account, UOB Kay Hian Private Limited.

(2) Mr Goi Seng Hui is deemed to be interested in 12,600,000 ordinary shares held by Hydrex International Pte. Ltd..

STATISTICS OF SHAREHOLDINGS

As at 16 January 2019

TWENTY LARGEST SHAREHOLDERS

NO	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1.	UOB KAY HIAN PRIVATE LIMITED	66,399,015	37.56
2.	GOI SENG HUI	21,626,661	12.23
3.	ENVICTUS INTERNATIONAL HOLDINGS LIMITED	18,535,320	10.48
4.	RHB SECURITIES SINGAPORE PTE. LTD.	14,644,013	8.28
5.	HYDREX INTERNATIONAL PTE LTD	12,600,000	7.13
6.	CHEW GHIM BOK	5,922,600	3.35
7.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,313,068	1.87
8.	CHIA KEE KOON	2,738,600	1.55
9.	OCBC SECURITIES PRIVATE LIMITED	2,600,580	1.47
10.	CITIBANK NOMINEES SINGAPORE PTE LTD	2,540,500	1.44
11.	PHILLIP SECURITIES PTE LTD	2,257,800	1.28
12.	LIM AND TAN SECURITIES PTE LTD	2,082,500	1.18
13.	DBS NOMINEES (PRIVATE) LIMITED	832,600	0.47
14.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	642,800	0.36
15.	WONG YIN MUI	465,000	0.26
16.	MAYBANK KIM ENG SECURITIES PTE. LTD.	456,000	0.26
17.	LEE SUI HEE	450,000	0.25
18.	LEE WEE KIAT	426,000	0.24
19.	KGI SECURITIES (SINGAPORE) PTE. LTD.	370,800	0.21
20.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	364,900	0.21
	TOTAL	**159,268,757**	**90.08**

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

As at 16 January 2019, 34.56% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of YAMADA GREEN RESOURCES LIMITED (the “Company”) will be held at the Diamond Room, Level 3, Quality Hotel Marlow, 201 Balestier Road, Singapore 329926 on Wednesday, 27 February 2019 at 10:30 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and of the Group for the financial year ended 30 June 2018 together with the Auditors’ Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company who retire pursuant to Regulation 91 of the Constitution of the Company:

   Mr Chua Ser Miang **(Resolution 2)**
   Mr Goi Kok Neng **(Resolution 3)**

   [See Explanatory Note (i)]

3. To approve the payment of Directors’ fee of S$135,000 for the financial year ending 30 June 2019, to be paid half yearly in arrears. [2018: S$135,000]. **(Resolution 4)**

4. To re-appoint Messrs Foo Kon Tan LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business which may properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolution, with or without any modifications:

6. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

   That pursuant to Section 161 of the Companies Act, Chapter 50, and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares;

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

   (the “Share Issue Mandate”)

provided that:

(1) the aggregate number of shares (including shares to be issued pursuance to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

  (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

  (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and

  (c) any subsequent consolidation or subdivision of shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)] **(Resolution 6)**

7. **Authority to issue shares under the Yamada Green Resources Share Option Scheme**

That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to offer and grant share options under the Yamada Green Resources Share Option Scheme (the "Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of share options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued and/or issuable pursuant to the Scheme and all shares awarded under the Yamada Green Resources Performance Share Plan shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless varied or revoked by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)] **(Resolution 7)**

8. **Authority to issue shares under the Yamada Green Resources Performance Share Plan**

That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to offer and grant share awards under the Yamada Green Resources Performance Share Plan (the "Plan") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of share awards under the Plan, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Plan and ordinary shares to be issued and/or issuable in respect of all share options granted under the Yamada Green Resources Share Option Scheme shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless varied or revoked by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)] **(Resolution 8)**

By Order of the Board

Mr Wong Chee Meng Lawrence
Company Secretary
Singapore, 12 February 2019

Explanatory Notes:

i. Mr Chua Ser Miang will, upon re-election as a Director of the Company, remain as a member of the Audit Committee, and the Chairman of Nominating Committee and Remuneration Committee respectively and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Goi Kok Neng will, upon re-election as a Director of the Company, remain as a member of the Audit Committee, Nominating Committee and Remuneration Committee respectively and will be considered non-independent.

ii. Resolution 6, if passed, will empower the Directors of the Company from the date of this Annual General Meeting ("AGM") until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

iii. Resolution 7 above, if passed, will authorise and empower the Directors of the Company from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares in the capital of the Company pursuant to the exercise of share options granted under the Yamada Green Resources Share Option Scheme ("Scheme") provided that the aggregate number of additional shares to be issued and/or issuable pursuant to the Scheme and all shares awarded under the Yamada Green Resources Performance Share Plan ("Plan") do not exceed in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

iv. Resolution 8 above, if passed, will authorise and empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares in the capital of the Company pursuant to the vesting of share awards under the Plan provided that the aggregate number of additional shares to be issued pursuant to the Plan and ordinary shares to be issued and/or issuable in respect of all share options granted under the Scheme do not exceed in total (for the entire duration of the Plan) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

NOTICE OF
ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote on his/her stead.

2. Where a member appoints two proxies, he/she should specify the proportion of his/her shareholding to be represented by each proxy, failing which the nomination shall be deemed to be alternative.

3. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointment shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. A proxy need not be a member of the Company.

5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the meeting.

6. The instrument appointing a proxy must be signed by the appointer or his/her attorney duly authorised in writing or, if the appointer is a body corporate, signed by an attorney duly authorised, or by an officer on behalf of the corporation, or the common seal must be affixed thereto.

7. The instrument appointing a proxy or proxies together with the letter or power of attorney, if any, under which it is signed or a duly certified copy thereof must be deposited at the office of the Company's Share Registrar at 9 Raffles Place #29-01 Republic Plaza Tower 1, Singapore 048619, not less than 48 hours before the time appointed for the holding of the Annual General Meeting.

Personal Data Privacy

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

YAMADA GREEN RESOURCES LIMITED

(Company Registration No. 201002962E)
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this form)

I/We ______________________________ (Name) ______________________ (NRIC/Passport No.)

of ____ (Address)
being a member/members of YAMADA GREEN RESOURCES LIMITED (the "Company") hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Diamond Room, Level 3, Quality Hotel Marlow, 201 Balestier Road, Singapore 329926 on Wednesday, 27 February 2019 at 10:30 a.m. and at any adjournment thereof.

* I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific directions as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	**Resolutions relating to:**	**Number of votes**	
	Ordinary Business	**For****	**Against****
1	To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2018 together with the Auditors' Report thereon.		
2	To re-elect Mr Chua Ser Miang, a Director retiring under Regulation 91 of the Constitution of the Company.		
3	To re-elect Mr Goi Kok Neng, a Director retiring under Regulation 91 of the Constitution of the Company.		
4	To approve the payment of Directors' fee of S$135,000 for the financial year ending 30 June 2019, to be paid half yearly in arrears.		
5	To re-appoint Messrs Foo Kon Tan LLP as the Auditors and to authorise the Directors of the Company to fix their remuneration.		
	Special Business		
6	Authority for Directors to allot and issue shares.		
7	Authority to issue shares under the Yamada Green Resources Share Option Scheme.		
8	Authority to issue shares under the Yamada Green Resources Performance Share Plan.		

** *If you wish to exercise all your votes "For" or "Against", please indicatewith a "√" within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ________ day of __________________ 2019.

Total number of shares in	**No. of shares**
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s)/
and, Common Seal of Corporate Member(s)

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF

NOTES FOR PROXY FORM

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member of the Company entitled to attend and vote at the Meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member, other than a Relevant Intermediary appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by the members. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar at 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619 not less than 48 hours before the time appointed for the holding of the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investors") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

*A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

By submitting an instrument appointing a proxi(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 February 2019.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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YAMADA GREEN RESOURCES LIMITED

Company Registration No. 201002962E

Houyu Food Industrial Zone, Jingxi Town, Minhou County,
Fuzhou City, Fujian Province, PRC 350101
Tel: (86) 591-2262 6262 Fax: (86) 591-2262 6269