



## Yamada Green Resources Limited

(Company Registration No. 201002962E)  
(Incorporated in the Republic of Singapore)

### Unaudited Financial Statements And Dividend Announcement for The Third Quarter and Nine Months Ended 31 March 2015

#### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<u>The Group</u>	<u>3 Months Ended</u>		<u>Change</u>	<u>9 Months Ended</u>		<u>Change</u>
	<u>31 Mar 2015</u> <u>RMB'000</u>	<u>31 Mar 2014</u> <u>RMB'000</u>		<u>31 Mar 2015</u> <u>RMB'000</u>	<u>31 Mar 2014</u> <u>RMB'000</u>	
Revenue	198,060	257,208	(23.0%)	430,697	529,974	(18.7%)
Cost of sales	(152,495)	(206,582)	(26.2%)	(325,689)	(408,765)	(20.3%)
Gross profit	45,565	50,626	(10.0%)	105,008	121,209	(13.4%)
<i>Gross profit margin</i>	<b>23.0%</b>	19.7%	3.3 ppt	<b>24.4%</b>	22.9%	1.5 ppt
<i>Other items of income</i>						
Interest income	18	32	(43.8%)	46	77	(40.3%)
Other income	1,425	623	128.7%	2,421	776	212.0%
<i>Other items of expenses</i>						
Selling and distribution expenses	(1,947)	(2,113)	(7.9%)	(3,730)	(3,872)	(3.7%)
Administrative expenses	(6,073)	(5,211)	16.5%	(28,016)	(17,002)	64.8%
Other operating expenses	(1,094)	(1,287)	(15.0%)	(4,874)	(6,738)	(27.7%)
Financial cost	(490)	(555)	(11.7%)	(1,543)	(1,043)	47.9%
Profit before income tax	37,404	42,115	(11.2%)	69,312	93,407	(25.8%)
Income tax expense	(2,791)	(3,085)	(9.5%)	(7,766)	(8,104)	(4.2%)
Profit for the financial period	34,613	39,030	(11.3%)	61,546	85,303	(27.9%)
<i>Other comprehensive income</i>						
Foreign currency translation differences	-	-		-	-	
Total comprehensive income for the financial period	34,613	39,030	(11.3%)	61,546	85,303	(27.9%)
<i>Profit attributable to:</i>						
Owners of the company	34,613	39,030	(11.3%)	61,546	85,303	(27.9%)
<i>Total comprehensive income attributable to:</i>						
Owners of the company	34,613	39,030	(11.3%)	61,546	85,303	(27.9%)

n/m – not meaningful

**1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.**

The Group's total comprehensive income for the financial period is derived after charging/(crediting):

	3 Months Ended		Change	9 Months Ended		Change
	31 Mar 2015 RMB'000	31 Mar 2014 RMB'000		31 Mar 2015 RMB'000	31 Mar 2014 RMB'000	
Amortisation of land use rights	154	671	(77.0%)	1,347	2,102	(35.9%)
Amortisation of biological assets <sup>(1)</sup>	80,784	132,060	(38.8%)	144,479	235,783	(38.7%)
Amortisation of prepayment	19,314	4,721	309.1%	38,059	13,109	190.3%
Depreciation of property, plant and equipment	2,019	2,142	(5.7%)	6,201	6,204	nil
Loss on disposal of property, plant and equipment	-	3	n/m	-	-	-
Gain on disposal of property, plant and equipment	-	-	n/m	(2)	-	n/m
Loss on disposal of land use right	-	-	n/m	6,075	-	n/m
Gain on disposal of biological assets <sup>(2)</sup>	-	(617)	nm	-	(617)	n/m
Currency exchange gain, net	233	-	n/m	-	-	n/m
Currency exchange loss, net	-	39	n/m	1,037	967	7.2%
Interest income	(18)	(32)	(43.8%)	(46)	(77)	(40.3%)
Interest expenses on bank loan	490	555	(11.7%)	1,543	1,043	47.9%
Government grants	(1,260)	(480)	162.5%	(1,440)	(564)	155.3%

<sup>(1)</sup> This represents amortization of edible fungi synthetic logs held by the Group.

<sup>(2)</sup> This represents eucalyptus trees owned by the Group.

n/m – not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	The Group		The Company	
	As at 31 Mar 2015	As at 30 Jun 2014	As at 31 Mar 2015	As at 30 Jun 2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-current assets</b>				
Property, plant and equipment	165,088	104,368	7	10
Biological assets <sup>(1)</sup>	153,377	158,714	-	-
Land use rights	26,141	98,104	-	-
Investments in subsidiaries	-	-	117,266	117,266
Prepayments	322,198	138,745	-	-
Deferred tax assets	1,918	1,918	-	-
	<b>668,722</b>	<b>501,849</b>	<b>117,273</b>	<b>117,276</b>
<b>Current assets</b>				
Biological assets <sup>(2)</sup>	17,613	23,750	-	-
Inventories	14,854	13,671	-	-
Trade receivables	24,884	16,580	-	-
Other receivables	153,278	250,011	97,935	83,100
Tax receivables	831	831	-	-
Cash and bank balances	18,664	21,591	5,549	3,403
	<b>230,124</b>	<b>326,434</b>	<b>103,484</b>	<b>86,503</b>
<b>Less:</b>				
<b>Current liabilities</b>				
Trade and other payables	15,813	21,975	115	921
Bank borrowings	25,000	30,000	-	-
Current income tax payable	5,493	6,543	767	767
	<b>46,306</b>	<b>58,518</b>	<b>882</b>	<b>1,688</b>
<b>Net current assets</b>	<b>183,818</b>	<b>267,916</b>	<b>102,602</b>	<b>84,815</b>
<b>Non-current liability</b>				
Deferred tax liability	(3,711)	(3,711)	-	-
<b>Net assets</b>	<b>848,829</b>	<b>766,054</b>	<b>219,875</b>	<b>202,091</b>
<b>Capital and reserves</b>				
Share capital	221,090	190,471	221,090	190,471
Share-based payment reserve	2,015	4,995	2,015	4,995
Statutory reserve	61,394	59,306	-	-
Accumulated profits/(losses)	564,330	511,282	(3,230)	6,625
<b>Total equity</b>	<b>848,829</b>	<b>766,054</b>	<b>219,875</b>	<b>202,091</b>

<sup>(1)</sup>This represents eucalyptus trees in plantation forest.

<sup>(2)</sup>This represents edible fungi synthetic logs held by the Group.

**(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 31 Mar 2015		As at 30 June 2014	
Secured	Unsecured	Secured	Unsecured
RMB25,000,000	Nil	RMB30,000,000	Nil

**Amount repayable after one year**

As at 31 Mar 2015		As at 30 Jun 2014	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

**Details of any collateral**

In November 2014, the Company's wholly-owned subsidiary, Wangcheng Foods Development Co., Ltd. ("Wangcheng"), had accepted an offer of credit facility (the "Facility") up to an aggregate principal amount of RMB30 million granted by China Everbright Bank (the "Bank") subsequent to the expiration of the last credit facility agreement on 21 August 2014. Wangcheng pledged its buildings and land use rights as collateral for the Facility in favour of the Bank. Mr Chen Qiuhai, the Executive Chairman and Chief Executive Officer of the Company, agreed to stand as personal guarantor for payment of all monies and liabilities owing by Wangcheng to the Bank including but not limited to payment of all monies owing or payable (whether actual or contingent) to the Bank with respect to the Facility extended by the Bank.

A loan amount of RMB30 million drawn down from the last credit facility had been fully repaid to the bank by 31 March 2015 upon the expiration of the loan agreement.

As at 31 March 2015, RMB25 million has been drawn down from the Facility for general working capital purposes.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>The Group</b>	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>31 Mar 2015</b>	<b>31 Mar 2014</b>	<b>31 Mar 2015</b>	<b>31 Mar 2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flow from operating activities</b>				
Profit before income tax	<b>37,404</b>	42,115	<b>69,312</b>	93,407
Adjustments for:				
Depreciation	<b>2,019</b>	2,142	<b>6,201</b>	6,204
Amortisation of biological assets <sup>(1)</sup>	<b>80,784</b>	132,060	<b>144,479</b>	235,783
Amortisation of land use rights	<b>154</b>	671	<b>1,347</b>	2,102
Amortisation of prepayments	<b>19,314</b>	4,721	<b>38,059</b>	13,109
Gain on disposal of biological assets <sup>(2)</sup>	-	(617)	-	(617)
Gain on disposal of property, plant and machinery	-	-	<b>(2)</b>	-
Fair value transferred from biological assets <sup>(2)</sup>	<b>5,337</b>	17,526	<b>5,337</b>	17,526
Loss on disposal of property, plant and machinery	-	3	-	3
Loss on disposal of land use right	-	-	<b>6,075</b>	-
Interest income	<b>(18)</b>	(32)	<b>(46)</b>	(77)
Interest expenses	<b>489</b>	555	<b>1,542</b>	1,043
Operating profits before working capital changes	<b>145,483</b>	199,144	<b>272,304</b>	368,483
Biological assets <sup>(1)</sup>	<b>(6,739)</b>	(23,450)	<b>(138,342)</b>	(243,842)
Inventories	<b>(1,660)</b>	9,112	<b>(1,183)</b>	2,363
Trade and other receivables	<b>(44,650)</b>	(159,014)	<b>100,743</b>	(98,835)
Trade and other payables	<b>(11,319)</b>	683	<b>(6,164)</b>	2,629
Cash generated from operations	<b>81,115</b>	26,475	<b>227,358</b>	30,798
Interest received	<b>18</b>	32	<b>46</b>	77
Income taxes paid	<b>(2,429)</b>	(3,507)	<b>(8,655)</b>	(6,947)
<b>Net cash generated from operating activities</b>	<b>78,704</b>	23,000	<b>218,749</b>	23,928
<b>Cash flow used in investing activities</b>				
Proceeds from disposal of property, plant and equipment	-	-	<b>14</b>	-
Proceeds from disposal of land use right	<b>64,541</b>	-	<b>64,541</b>	-
Proceeds from disposal of biological assets <sup>(2)</sup>	-	4,280	-	4,280
Refund from prepaid lease	-	-	<b>16,842</b>	-
Purchase of property, plant and equipment	<b>(41,579)</b>	(28,167)	<b>(66,933)</b>	(55,024)
Prepayments	<b>(101,300)</b>	(3,760)	<b>(250,826)</b>	(10,041)
<b>Net cash used in investing activities</b>	<b>(78,338)</b>	(27,647)	<b>(236,362)</b>	(60,785)

<b><u>The Group</u></b>	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>31 Mar 2015 RMB'000</b>	<b>31 Mar 2014 RMB'000</b>	<b>31 Mar 2015 RMB'000</b>	<b>31 Mar 2014 RMB'000</b>
<b>Cash flow from financing activities</b>				
Proceeds from issuance of placement shares	-	-	<b>27,639</b>	-
Expenses related to issuance of placement shares	-	-	-	-
Proceeds from bank loan	<b>20,000</b>	-	<b>25,000</b>	30,000
Repayment of bank loan	<b>(20,000)</b>	-	<b>(30,000)</b>	-
Interest paid	<b>(490)</b>	(555)	<b>(1,543)</b>	(1,043)
Dividend payment	-	-	<b>(6,410)</b>	(6,463)
<b>Net cash generated (used in)/from financing activities</b>	<b>(490)</b>	(555)	<b>14,686</b>	22,494
<b>Net decrease in cash and bank balances</b>	<b>(124)</b>	(5,202)	<b>(2,927)</b>	(14,363)
<b>Cash and bank balances at beginning of the financial period</b>	<b>18,788</b>	11,947	<b>21,591</b>	21,108
<b>Cash and bank balances at end of the financial period</b>	<b>18,664</b>	6,745	<b>18,664</b>	6,745

<sup>(1)</sup> This represents edible fungi synthetic logs held by the Group.

<sup>(2)</sup> This represents eucalyptus trees owned by the Group.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>The Group</u>	← Attributable to owners of the parent →				Total equity RMB'000
	Share capital RMB'000	Share-based payment reserve RMB'000	Statutory reserve RMB'000	Accumulated profits RMB'000	
<b>Balance as at 01.07.2014</b>	190,471	4,995	59,306	511,282	766,054
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	4,807	4,807
<b><u>Contributions by and distributions to owners of the parent</u></b>					
Issue of ordinary shares	27,639	-	-	-	27,639
<b>Total contributions by and distributions to owners of the parent</b>	<b>27,639</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,639</b>
<b>Balance as at 30.09.2014</b>	218,110	4,995	59,306	516,089	798,500
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	22,126	22,126
<b><u>Contributions by and distributions to owners of the parent</u></b>					
Dividend payment	-	-	-	(6,410)	(6,410)
Issue of ordinary shares	2,980	-	-	-	2,980
Share-based payment reserve	-	(2,980)	-	-	(2,980)
Transfer to statutory reserve	-	-	2,088	(2,088)	-
<b>Total contributions by and distributions to owners of the parent</b>	<b>2,980</b>	<b>(2,980)</b>	<b>2,088</b>	<b>(8,498)</b>	<b>(6,410)</b>
<b>Balance as at 31.12.2014</b>	221,090	2,015	61,394	529,717	814,216

	← Attributable to owners of the parent →				
	Share capital	Share- based payment reserve	Statutory reserve	Accumulated profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance as at 31.12.2014</b>	221,090	2,015	61,394	529,717	814,216
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	34,613	34,613
<b><u>Contributions by and distributions to owners of the parent</u></b>	-	-	-	-	-
<b>Balance as at 31.3.2015</b>	221,090	2,015	61,394	564,330	848,829



<u>The Group</u>	← Attributable to owners of the parent →				Total equity RMB'000
	Share capital RMB'000	Share-based payment reserve RMB'000	Statutory reserve RMB'000	Accumulated profits RMB'000	
<b>Balance as at 01.07.2013</b>	186,092	6,395	55,141	419,320	666,948
Profit for the financial period	-	-	-	645	645
<b>Total comprehensive income for the financial period</b>	-	-	-	645	645
<b>Balance as at 30.09.2013</b>	186,092	6,395	55,141	419,965	667,593
Issue of new shares	4,379	-	-	-	4,379
Share-based payment reserve	-	(4,379)	-	-	(4,379)
Profit for the financial period	-	-	-	45,627	45,627
Transfer to statutory reserve	-	-	1,983	(1,983)	-
Dividend payment	-	-	-	(6,463)	(6,463)
<b>Total comprehensive income for the financial period</b>	-	-	1,983	37,181	39,164
<b>Balance as at 31.12.2013</b>	190,471	2,016	57,124	457,146	706,757
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	39,030	39,030
<b>Balance as at 31.03.2014</b>	190,471	2,016	57,124	496,176	745,787

<u>The Company</u>	Share capital	Share-based payment reserve	Statutory reserve	Accumulated profits/ (loss)	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance as at 01.07.2014</b>	190,471	4,995	-	6,625	202,091
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(1,157)	(1,157)
<b><u>Contributions by and distributions to owners of the parent</u></b>					
Issue of ordinary shares	27,639	-	-	-	27,639
<b>Total contributions by and distributions to owners of the parent</b>	27,639	-	-	-	27,639
<b>Balance as at 30.09.2014</b>	218,110	4,995	-	5,468	228,573
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(1,571)	(1,571)
<b><u>Contributions by and distributions to owners of the parent</u></b>					
Dividend payment	-	-	-	(6,410)	(6,410)
Issue of new shares	2,980	-	-	-	2,980
Share-based payment reserve	-	(2,980)	-	-	(2,980)
<b>Total contributions by and distributions to owners of the parent</b>	2,980	(2,980)	-	(6,410)	(6,410)
<b>Balance as at 31.12.2014</b>	221,090	2,015	-	(2,513)	220,592

<u>The Company</u>	Share capital	Share-based payment reserve	Statutory reserve	Accumulated profits/ (loss)	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance as at 31.12.2014</b>	221,090	2,015	-	(2,513)	220,592
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(717)	(717)
<b>Balance as at 31.03.2015</b>	221,090	2,015	-	(3,230)	219,875

<b><u>The Company</u></b>	<b>Share capital RMB'000</b>	<b>Share-based payment reserve RMB'000</b>	<b>Statutory reserve RMB'000</b>	<b>Accumulated profits/ (loss) RMB'000</b>	<b>Total equity RMB'000</b>
<b>Balance as at 01.07.2013</b>	186,092	6,395	-	6,612	199,099
Loss for the financial period	-	-	-	(606)	(606)
<b>Total contributions by and distributions to owners</b>	-	-	-	(606)	(606)
<b>Balance as at 30.09.2013</b>	186,092	6,395	-	6,006	198,493
Issue of new shares	4,379	-	-	-	4,379
Share-based payment reserve	-	(4,379)	-	-	(4,379)
Loss for the financial period	-	-	-	(1,231)	(1,231)
Dividend payment	-	-	-	(6,463)	(6,463)
<b>Total comprehensive income for the financial period</b>	-	-	-	(7,694)	(7,694)
<b>Balance as at 31.12.2013</b>	190,471	2,016	-	(1,688)	190,799
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(622)	(622)
<b>Balance as at 31.03.2014</b>	190,471	2,016	-	(2,310)	190,177

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

There were no changes in the Company's share capital from January to March 2015.

There were no outstanding convertibles or treasury shares held as at 31 March 2015 and 31 March 2014.

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

Total number of issued shares (excluding treasury shares)

As at 30 June 2014	502,202,175
Issue of ordinary shares	35,000,000
Grant of performance share awards	<u>3,465,000</u>
As at 31 March 2015	<u>540,667,175</u>

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

Not applicable.

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

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

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

Not applicable.

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

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements for the financial year ended 30 June 2014 except for the valuation of biological assets, fair value of share-based payment reserves, deferred tax assets and provision for deferred tax which will be undertaken at the end of financial year.

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

Not applicable.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

<u>The Group</u>	<u>3 Months Ended</u>		<u>9 Months Ended</u>	
	<u>31 Mar</u> <u>2015</u>	<u>31 Mar</u> <u>2014</u>	<u>31 Mar</u> <u>2015</u>	<u>31 Mar</u> <u>2014</u>
Earnings per share (RMB cents)				
- <i>basic</i>	<b>6.4</b>	<b>7.8</b>	<b>11.6</b>	<b>17.1</b>
- <i>diluted</i>	<b>6.4</b>	<b>7.6</b>	<b>11.6</b>	<b>16.7</b>
Weighted average number of ordinary shares ('000) - basic	<b>540,667</b>	<b>502,202</b>	<b>532,524</b>	<b>499,702</b>
- diluted	<b>540,667</b>	<b>513,782</b>	<b>532,524</b>	<b>511,282</b>

Basic earnings per share are calculated by dividing the net profit after tax attributable to equity holders of the Company of the respective periods and the weighted average number of shares in issue during the respective financial periods. The weighted average number of ordinary shares represents the number of ordinary shares at the beginning of the financial period, adjusted for new ordinary shares issued during the financial period, multiplied by a time-weighted factor.

Diluted earnings per share are calculated by dividing the profit attributable to equity holders of the Company for the respective periods and the weighted average number of shares, adjusted for the effects of all dilutive potential ordinary shares.

The Company approved the grant of 25,000,000 shares of the Company to selected eligible employees of the Group and Director of the Company on 29 December 2011, under the Yamada Performance Shares Plan (the "Plan") which had been approved and adopted by the shareholders at our Extraordinary General Meeting on 29 April 2011.

As at 31 March 2015, 16,885,000 ordinary shares of the above 25,000,000 ordinary shares were issued and vested, 8,115,000 ordinary shares of the above 25,000,000 ordinary shares were forfeited. The Plan came to an end on 31 December 2014 and no more shares will be vested out of the Plan in the future.

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

<u>The Group</u>	<b>As at 31 Mar 2015</b>	As at 31 Mar 2014
Net asset value per share (RMB cents)	<b>157.0</b>	148.5
Number of ordinary shares ('000)	<b>540,667</b>	502,202
<u>The Company</u>	<b>As at 31 Mar 2013</b>	As at 31 Mar 2013
Net asset value per share (RMB cents)	<b>40.7</b>	37.9
Number of ordinary shares ('000)	<b>540,667</b>	502,202

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

## STATEMENT OF COMPREHENSIVE INCOME

### Review of performance for the third quarter ended 31 March 2015 ("3Q2015")

#### Revenue

	3Q2015		9M2015	
	(RMB'million)	%	(RMB'million)	%
<b>Cultivation Business Segment</b>				
- Shiitake mushroom	121.7	61.4	220.6	51.2
- bamboo trees and bamboo shoots	32.8	16.6	65.3	15.2
<b>Processed Food Product Business Segment</b>	43.6	22.0	144.8	33.6
<b>Total Revenue</b>	198.1	100.0	430.7	100.0

Our revenue decreased by approximately RMB59.1 million or 23.0%, to approximately RMB198.1 million from January to March 2015 ("3Q2015") from approximately RMB257.2 million during the same period in 2014 ("3Q2014").

Revenue from our cultivation business segment fell approximately RMB52.2 million or 25.3% to RMB154.5 million in 3Q2015, from RMB 206.7 million in 3Q2014.

Sales of our self-cultivated shiitake mushrooms declined to approximately RMB121.7 million in 3Q2015, which decreased by approximately RMB69.5 million or 36.4% from approximately RMB190.9 million in 3Q2014. We harvested and sold approximately 17,400 tons shiitake mushrooms in 3Q2015 compared to approximately 26,500 tons in 3Q2014. It was largely attributable to scaling back shiitake mushroom cultivation farmland from 5,134 mu in 3Q2014 to 3,342 mu in 3Q2015. Out of the shiitake mushrooms harvested in 3Q2015, there were approximately 17,200 tons of shiitake mushrooms sold to external parties. The average selling price of our fresh shiitake mushroom was approximately RMB7.1 per kg compared to RMB7.2 per kg during the same period in the last financial year.

In addition, there were no sales of self-cultivated black fungus in 3Q2015. In line with our growth strategy in the future, we decided not to renew the lease for black fungus cultivation land after its expiration on 30 June 2014. In 3Q2014, approximately RMB8.4 million were derived from sales of black fungus.

The loss of the revenue in self-cultivation business segment was partially mitigated by increased sales in our moso bamboo business line subsequent to the expansion of our moso bamboo plantations. We operated 100,845 mu of moso bamboo plantations in 3Q2015 compared to 11,302 mu in 3Q2014. Revenue from our moso bamboo business line increased to approximately RMB32.8 million in 3Q2015, from approximately RMB3.1 million in 3Q2014, representing nearly a tenfold increase. There were approximately 14,850 tons of bamboo shoots harvested and sold in 3Q2015, in contrast to approximately 272

tons of bamboo shoots sold in 3Q2014. Out of the bamboo shoots harvested in 3Q2015, there were approximately 13,110 tons sold to external parties.

Revenue generated from the processed food product business segment decreased by approximately RMB6.9 million or 13.7%, to approximately RMB43.6 million in 3Q2015 from approximately RMB50.5 million in 3Q2014. It was primarily due to reduced production volume of the existing konjac-based dietary fibre food products subsequent to the changes in our production and sales strategy in the domestic market.

#### **Gross profit and gross profit margin**

Our gross profit decreased by approximately RMB5.0 million or 10.0%, to approximately RMB45.6 million in 3Q2015 from approximately RMB50.6 million in 3Q2014. However, the overall gross profit margin increased to 23.0% in 3Q2015 compared to 19.7% in 3Q2014.

The gross profit margin of our cultivation business segment rose to 19.5% in 3Q2015 from 16.6% in 3Q2014. It was mainly attributable to increased contribution from our bamboo business which has a higher gross profit margin of approximately 40.0% in 3Q2015. The increase of gross profit margin was partly offset by a decline in gross profit margin of shiitake mushroom as average labour costs in production of mushroom logs and harvesting of shiitake mushrooms increased in 9M2015.

The gross profit margin of our processed food products business segment increased to 35.6% in 3Q2015 from 31.7% in 3Q2014, mainly due to changes in sales of product mix .

#### **Other operating income**

Other operating income of approximately RMB1.4 million mainly comprised of government grants and subsidies, interest income, rental income and other miscellaneous gains. The government grants obtained in 3Q2015 were mainly due to subsidizing the construction of our processing plants in in Tie Ling Economic and Technological Development Zone as it is the government's policy to encourage companies' improvement in production capacity and technology. In addition, we rented out more spare office floors in our subsidiaries and generated a higher rental income in 3Q2015.

#### **Operating expenses**

Selling and distribution expenses decreased by approximately RMB0.2 million or 7.9%, to approximately RMB1.9 million in 3Q2015, from approximately RMB2.1 million in 3Q2014. It was mainly attributable to the reduction in sales and marketing staff and sales promotion expenses as we were in the process of adjusting our marketing strategy.

Administrative expenses increased by approximately RMB0.9 million or 16.5% to approximately RMB6.1 million in 3Q2015 from approximately RMB5.2 million in 3Q2014. It primarily arose from riverbank maintenance fees imposed by the PRC government in 3Q2015.

Other operating expenses mainly comprised maintenance cost of eucalyptus plantations and foreign exchange loss. which decreased by approximately RMB0.2 million or 15.0%, to approximately RMB1.1 million in 3Q2015, from approximately RMB1.3 million in 3Q2014. It was mostly due to a decreased maintenance costs of eucalyptus plantations as less maintenance work was required on more mature plantations.

#### **Finance cost**

Bank borrowings decreased from RMB30.0 in 3Q2014 to RMB25.0 million in 3Q2015 and resulted in lower interest expenses. Finance cost declined by approximately RMB0.1 million or 11.7% to approximately RMB0.5 million 3Q2015 from approximately RMB0.6 million in 3Q2014.



### **Income tax expenses**

Income tax expense decreased to approximately RMB2.8 million in 3Q2015 from approximately RMB3.1 million in 3Q2014. Our processed food product business segment are subject to Enterprise Income Tax at the rate of 25% while the cultivation business segment is exempt from the Enterprise Income Tax and the value-added tax. Our effective tax rate is 7.5% in 3Q2015 compared with 7.3% in 2Q2014.

### **Total comprehensive income for the period**

The resulting comprehensive income for the three months under review decreased by approximately RMB4.4 million or 11.3% to approximately RMB34.6 million in 3Q2015, from approximately RMB39.0 million in 3Q2014.

### **Review of performance for the nine months ended 31 March 2015 (“9M2015”)**

#### **Revenue**

Our revenue decreased by approximately RMB99.3 million or 18.7%, to approximately RMB430.7 million in 9M2015 from RMB530.0 million from July 2013 to March 2014 (“9M2014”).

The declined revenue was mainly due to lower sales derived from our cultivation business segment. Sales of our self-cultivated shiitake mushrooms was approximately RMB220.6 million in 9M2015, which decreased by approximately RMB136.7 million or 38.3% from approximately RMB357.3 million in 9M2014. We produced and sold approximately 31,200 tons of shiitake mushrooms in 9M2015 compared to approximately 50,500 tons in 9M2014. It was mostly due to scaling back shiitake mushroom cultivation farmland from 5,134 mu in 9M2014 to 3,342 mu in 9M2015. In addition, arrival of winter was delayed by almost 3 weeks during the shiitake mushroom harvesting season. Out of the shiitake mushrooms harvested in 9M2015, there were approximately 31,000 tons of shiitake mushrooms sold to external parties. The average selling price of our fresh shiitake mushroom remained constant at approximately RMB7.1 per kg compared to the same period in the last financial year.

Additionally, there were no sales of self-cultivated black fungus in 9M2015. In line with our growth strategy in the future, we decided not to renew the lease for black fungus cultivation land after its expiration on 30 June 2014. In 3Q2014, approximately RMB14.0 million were generated from sales of black fungus.

The loss of the revenue in our shiitake mushroom business line was mitigated by increased sales in our moso bamboo business line subsequent to the expansion of our moso bamboo plantations. In October 2014, we operated 33,845 mu of moso bamboo plantations. The plantations were further expanded by 67,000 mu to 100,845 mu in 9M2015 compared to 11,302 mu in 9M2014. In 9M2015, we have commenced the harvesting of winter bamboo shoots and spring bamboo shoots in the 67,000 mu of moso bamboo plantations, and the harvesting of bamboo trees from these plantations will only commence in our next financial year.

Revenue from our moso bamboo business was increased to approximately RMB65.3 million in 9M2015 from approximately RMB13.0 million in 9M2014, representing almost fivefold increase. There were approximately 34,230 tons of bamboo trees and 16,530 tons of bamboo shoots harvested and sold in 9M2015, in contrast to approximately 15,600 tons of bamboo trees and 357 tons of bamboo shoots in 9M2014. Out of the bamboo shoots harvested in 9M2015, there were approximately 14,789 tons sold to external parties.

Sales from the processed food product business segment increased by approximately RMB3.6 million or 2.5%, to approximately RMB144.8 million in 9M2015 from approximately

RMB141.2 million in 9M2014. It was mainly due to higher export sales to the Japanese market in 9M2015 as a result of increased orders from our existing Japanese customers whom we have established a long-term working relationship with.

### **Gross profit and gross profit margin**

Our gross profit decreased by approximately RMB16.2 million or 13.4%, to approximately RMB105.0 million in 9M2015, from approximately RMB121.2 million in 9M2014. The overall gross profit margin increased from 22.9% in 9M2014 to 24.4% in 9M2015.

The gross profit margin of our cultivation business segment rose to 20.6% in 9M2015 from 19.6% in 9M2014. It was mainly due to increased contribution from our moso bamboo business which has higher gross profit margin of approximately 40.0% in 9M2015. The increase of gross profit margin was partly offset by a decline in gross profit margin of shiitake mushroom as average labour costs in production of mushroom logs and harvesting of shiitake mushrooms increased in 9M2015.

The gross profit margin of our processed food product business segment remained stable at 31.8% in 9M2015 compared to 31.9% in 9M2014.

### **Other operating income**

Other operating income of about RMB2.5 million in 9M2015 mainly consisted of government grants and subsidies, interest income, rental income and other miscellaneous gains. The government grants obtained in 9M2015 were mainly due to receiving an award for the Provincial Key Dragon Head Enterprise for 2014 and subsidies for the construction of our processing plants in Tie Ling Economic and Technological Development Zone as it is the government's policy to encourage companies' improvement in production capacity and technology. In addition, we rented out more spare office floors in our subsidiaries and generated a higher rental income in 9M2015.

### **Operating expenses**

Selling and distribution expenses decreased to approximately RMB3.7 million in 9M2015 compared to approximately RMB3.9 million in 9M2014. It primarily comprised salaries for sales and marketing staff and custom charges. It was mainly attributable to the reduction in sales and marketing staff and sales promotion expenses as we were in the process of adjusting our marketing strategy.

Administrative expenses increased by approximately RMB11.0 million or 64.8%, to approximately RMB28.0 million in 9M2015 from approximately RMB17.0 million in 9M2014. It mainly arose from a loss on disposal of land use rights of eucalyptus plantations amounting to approximately RMB6.1 million, riverbank maintenance fees imposed by the PRC government and higher R&D expenses for our products.

Other operating expenses mainly included maintenance cost of eucalyptus plantations and foreign exchange loss. A decrease of approximately RMB1.8 million or 27.7%, to approximately RMB4.9 million in 9M2015 from approximately RMB6.7 million in 9M2014, was primarily due to a decreased maintenance costs of eucalyptus plantations as less maintenance work was required on more mature plantations.

### **Finance cost**

Finance cost increased to approximately RMB1.5 million in 9M2015 from approximately RMB1.0 million in 9M2014. It was mainly due to higher bank borrowings incurred between July and November 2014 compared to the same period in 2013.

### **Income tax expenses**

Income tax expense decreased to approximately RMB7.8 million in 9M2015 compared to approximately RMB8.1 million in 9M2014. Our processed food product business segment are subject to Enterprise Income Tax at the rate of 25% while the cultivation business segment is exempt from the Enterprise Income Tax and the value-added tax. Our effective tax rate is 11.2% in 9M2015 as compared with 8.7% in 9M2014.

### **Total comprehensive income for the period**

The resulting comprehensive income for the nine months under review decreased by approximately RMB23.8 million or 27.8%, to approximately RMB61.5 million in 9M2015 from approximately RMB85.3 million in 9M2014.

### **STATEMENT OF FINANCIAL POSITION**

Our non-current assets increased by approximately RMB166.9 million or 33.3% to approximately RMB668.7 million as at 31 March 2015, from approximately RMB501.8 million as at 30 June 2014. The increase was attributable to prepayments for our 67,000 mu of moso bamboo plantations and 37,012 mu of eucalyptus plantations amounting to approximately RMB199.0 million and RMB14.2 million respectively. In addition, construction in progress for processing plants in Tie Ling Economic and Technological Development Zone and our R&D Centre in Houyu Food Industry Zone in Fuzhou City also increased by approximately RMB58.7 million. The increase was partly offset by a decrease in land use rights of approximately RMB72.0 million mainly as a result of the disposal of 51,193 mu of eucalyptus plantations, as well as amortisation and depreciation of non-current assets. We have also received a refund from prepaid lease of approximately RMB16.8 million subsequent to the termination of lease for 1,792 mu of shiitake mushroom farmland. Additionally, the value of the eucalyptus trees harvested in 3Q2015 and to be used as raw materials for production of mushroom synthetic logs in the next financial year was transferred to the cost of synthetic logs.

Our current assets decreased by approximately RMB96.3 million or 29.5% to approximately RMB230.1 million as at 31 March 2015, from approximately RMB326.4 million as at 30 June 2014. It was primarily due to a decrease in advances to suppliers of raw materials, reduced prepayments made to the contractors of our new processing plants and R&D Centre and a deposit of approximately RMB20.0 million made for an investment in Zhangzhou Meisei was refunded to us subsequent to our termination of the investment. Additionally, our cash and bank balances also decreased by approximately RMB2.9 million. The decrease of current assets was partially offset by a prepaid lease for our newly-leased moso bamboo plantations and eucalyptus plantations.

Our current liabilities decreased by approximately RMB12.2 million or 20.9% to approximately RMB46.3 million as at 31 March 2015, from approximately RMB58.5 million as at 30 June 2014. The decrease was primarily due to a decrease in advances from customers of our processed food business and decreased bank borrowings of RMB5.0 million. The decrease was partly offset by increased advances from customers of cultivation business.

Equity holders' interest increased by approximately RMB82.8 million or 10.8%, from approximately RMB766.0 million as at 30 June 2014 to approximately RMB848.8 million as at 31 March 2015 as a result of retention of net profit and issue of new ordinary shares in 9M2015.

## STATEMENT OF CASH FLOWS

### 3Q2015

For the three months ended 31 March 2015, we recorded net cash generated from operating activities of approximately RMB78.7 million. This consisted of cash generated from operating activities before changes in working capital of approximately RMB145.5 million, working capital outflow of approximately RMB64.4 million, and net of cash outflow amounting to approximately RMB2.4 million from interest income received and income tax paid.

The net working capital outflow was mainly due to payments made to suppliers of mushroom synthetic logs to be utilised in the next financial year and reduced advances from customers in cultivation business segment.

A net cash of approximately RMB78.3 million was used in investing activities. It was mainly due to a payment of approximately RMB101.3 million made for the lease for 67,000 mu of moso bamboo plantations. In addition, purchase of property, plant and equipment and progressive payment made for construction of new plants and R&D Centre were approximately RMB41.6 million. The net cash outflow was partly offset by a proceed from the disposal of land use rights of 51,193 mu of eucalyptus plantations of approximately RMB64.5 million.

In 3Q2015, a net cash of approximately RMB0.5 million was used in financing activities. It was mainly due to a repayment of bank borrowings amounting to RMB20.0 million and interest payments for bank borrowings of approximately RMB0.5 million. The cash outflow was partially offset by an additional bank borrowing of RMB20.0 million from China Everbright Bank for working capital purposes.

### 9M2015

For the nine months ended 31 March 2015, we recorded net cash generated from operating activities of approximately RMB218.7 million. This consisted of cash generated from operating activities before changes in working capital of approximately RMB272.3 million, working capital outflow of approximately RMB44.8 million, and net of cash outflow amounting to approximately RMB8.6 million from interest income received and income tax paid.

The net working capital outflow was mainly due to increased costs of mushroom synthetic amounting to RMB138.3 and a decrease in advances from customers. The net working capital outflow was partly offset by refund of deposits paid for investment and decreased prepayments made to suppliers of raw materials and contractors.

A net cash of approximately RMB236.4 million was used in investing activities. It was mainly included a payment of approximately RMB234.5 million made for the 10-year lease for 67,000 mu of moso bamboo plantations, the purchase of property, plant and equipment and progressive payment made for construction of new plants and R&D Centre amounting to approximately RMB66.9 million, and a prepaid lease of approximately RMB16.3 million for eucalyptus plantations. The net cash outflow was partly offset by a proceed from the disposal of land use rights of eucalyptus plantations amounting to approximately RMB64.5 million and a refund from prepaid lease of approximately RMB16.8 million as a result of the termination of lease for 1,792 mu of shiitake mushroom farmland.

Net cash flow generated from financing activities was RMB14.7 million in 9M2015. It was mainly due to a net proceeds of approximately RMB27.6 million originating from share placement undertaken in 9M2015, and additional bank borrowings of RMB25.0 million from China Everbright Bank for working capital purposes. The amount was partly offset by a repayment of bank borrowings amounting to RMB30.0 million, a dividend payout for FY2014 of approximately RMB6.4 million and an interest payment for bank borrowings of approximately RMB1.5 million.

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

Not applicable.

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

In tandem with our comprehensive business growth strategy, we will continue to focus on both of our cultivation and processed food businesses in the future.

Following an expansion of our moso bamboo plantations to 100,845 mu, the revenue contribution from our bamboo business has increased significantly in FY2015 and resulted in an improved gross profit margin for the cultivation business segment. Additionally, part of the spring bamboo shoots harvested from our moso bamboo plantations are supplied to our processed food business segment as raw materials used in the production of processed bamboo shoots. The total yield of our bamboo trees will also likely increase on a year-on-year basis as we will commence harvesting of bamboo trees from our newly-leased 67,000 mu\* of moso bamboo plantations in our next financial year. We will monitor the performance of our cultivation business segment and implement an appropriate business strategy in a bid to underpin growth in this segment.

As a result of the economic development in the PRC, which has increased the standard of living and urbanisation, people in the PRC have a greater awareness of health issues. This has led to an increase in their consumption of healthy and convenience food products over the years. We believe the demand for healthy and convenience food products will continue to increase in the future. Therefore, we aim to capitalize on the opportunities in this market which shows great potential. Based on our revised production and sales plan in domestic market which is in line with our business development strategy, we have reduced the production volume of existing konjac-based food products and prepared to launch new konjac-based convenience food products in the near future subsequent to our continuous efforts in R&D of the products. In addition, we will expand the sales and distribution network and enhance our own branded product positioning.

Barring unforeseen circumstances, the Group remains optimistic about its performance for FY2015.

\*1 mu is equivalent to approximately 667 square metres

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

**(c) Date payable** Not applicable.

**(d) Books closure date** Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared or recommended for the three months and nine months ended 31 March 2015.

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

There has been no interested person transactions during the three months and nine months ended 31 March 2015. The Group does not have a general mandate pursuant to Rule 920(1)(a)(ii).

**14. NEGATIVE CONFIRMATION PURSUANT TO RULE 705(5)**

The Board of Directors of Yamada Green Resources Limited (the “Company”), do hereby confirm that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the three months and nine months ended 31 March 2015 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Chen Qiuhai**  
**Executive Chairman and CEO**  
13 May 2015