



## Yamada Green Resources Limited

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

### Unaudited Financial Statements And Dividend Announcement for The Fourth Quarter and Full Year Ended 30 June 2012

Yamada Green Resources Limited (the "Company") was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 8 October 2010. The initial public offering of the Company was sponsored by DMG & Partners Securities Pte Ltd (the "Issue Manager"). The Issue Manager assumes no responsibility for the contents of this announcement.

#### 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>   | 3 Months Ended  |             | Change %   | Full Year Ended                                      |   | Change %  |
|--|-----------------|-------------|------------|--|---|-----------|
|  | 30 Jun 2012     | 30 Jun 2011 |            | 30 Jun 2012 <sup>(1)</sup><br>(12 months)<br>RMB'000 | 30 Jun 2011 <sup>(1)</sup><br>(6 months)<br>RMB'000 |           |
|  | RMB'000         | RMB'000     |            |  |   |           |
| Revenue  | <b>58,501</b>   | 54,395      | 7.5        | <b>553,331</b>                                       | 216,338   | 155.8     |
| Cost of sales  | <b>(45,175)</b> | (35,737)    | 26.4       | <b>(345,034)</b>                                     | (126,149)   | 173.5     |
| Gross profit   | <b>13,326</b>   | 18,658      | (28.6)     | <b>208,297</b>                                       | 90,189  | 131.0     |
| Gross profit margin  | <b>22.8%</b>    | 34.3%       | (11.5 ppt) | <b>37.6%</b>   | 41.7%   | (4.1 ppt) |
| <i>Other items of income</i>                               |                 |             |            |  |   |           |
| Interest income  | <b>25</b>       | 26          | (3.8)      | <b>195</b>   | 63  | 209.5     |
| Other income   | <b>6,441</b>    | 260         | n/m        | <b>6,547</b>   | 310   | n/m       |
| Gain from changes in fair value of biological assets       | -               | 5,020       | n/m        | -  | 5,020   | n/m       |
| <i>Other items of expense</i>                              |                 |             |            |  |   |           |
| Selling and distribution expenses                          | <b>(2,073)</b>  | (1,886)     | 10.0       | <b>(8,801)</b>                                       | (2,469)   | 256.5     |
| Administrative expenses                                    | <b>(12,710)</b> | (9,072)     | 40.1       | <b>(31,797)</b>                                      | (13,393)  | 137.4     |
| Other expenses   | <b>(2,576)</b>  | (1,347)     | 91.2       | <b>(6,863)</b>                                       | (3,580)   | 91.7      |
| Loss from changes in fair value of biological assets       | <b>(28,240)</b> | -           | n/m        | <b>(28,240)</b>                                      | -   | n/m       |
| Profit before income tax                                   | <b>(25,807)</b> | 11,659      | n/m        | <b>139,338</b>                                       | 76,140  | 83.0      |
| Income tax expense   | <b>6,353</b>    | (5,230)     | n/m        | <b>138</b>   | (6,578)   | n/m       |
| (Loss)/Profit for the financial period                     | <b>(19,454)</b> | 6,429       | n/m        | <b>139,476</b>                                       | 69,562  | 100.5     |
| <i>Other comprehensive income</i>                          |                 |             |            |  |   |           |
| Foreign currency translation differences                   | <b>(2,398)</b>  | 830         | n/m        | <b>(2,514)</b>                                       | 2,107   | n/m       |
| Total comprehensive (loss)/income for the financial period | <b>(21,852)</b> | 7,259       | n/m        | <b>136,962</b>                                       | 71,669  | 91.1      |

| <u>The Group</u>  | <u>3 Months Ended</u>        |                              | <u>Change</u><br><u>%</u> | <u>Full Year Ended</u>   |   | <u>Change</u><br><u>%</u> |
|---|------------------------------|------------------------------|---------------------------|--|---|---------------------------|
|   | <u>30 Jun</u><br><u>2012</u> | <u>30 Jun</u><br><u>2011</u> |                           | <u>30 Jun</u><br><u>2012<sup>(1)</sup></u><br><u>(12 months)</u><br><u>RMB'000</u> | <u>30 Jun</u><br><u>2011<sup>(1)</sup></u><br><u>(6 months)</u><br><u>RMB'000</u> |                           |
|   | <u>RMB'000</u>               | <u>RMB'000</u>               |                           |  |   |                           |
| <i>(Loss)/Profit attributable to:</i>                     |                              |                              |                           |  |   |                           |
| Owners of the parent                                      | <u>(19,454)</u>              | <u>6,429</u>                 | n/m                       | <u>139,476</u>   | <u>69,562</u>   | 100.5                     |
| <i>Total comprehensive (loss)/income attributable to:</i> |                              |                              |                           |  |   |                           |
| Owners of the parent                                      | <u>(21,852)</u>              | <u>7,259</u>                 | n/m                       | <u>136,962</u>   | <u>71,669</u>   | 91.1                      |

n/m – not meaningful

<sup>(1)</sup>The Company changed its financial year end from 31 December to 30 June in August 2011. The current financial year covers a period of 12 months from 1 July 2011 to 30 June 2012 whereas the previous financial year covered a period of six months from 1 January 2011 to 30 June 2011. Generally this accounted for the higher revenue and expenses for the current year. Therefore, the percentage of increase compared with the previous year is pure arithmetical calculations.

**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 (loss)/income for the financial period is derived after charging/(crediting):

|   | 3 Months Ended |                |             | Full Year Ended               |                              |             |
|---|----------------|----------------|-------------|-------------------------------|------------------------------|-------------|
|   | 30 Jun<br>2012 | 30 Jun<br>2011 | Change<br>% | 30 Jun<br>2012<br>(12 months) | 30 Jun<br>2011<br>(6 months) | Change<br>% |
|   | RMB'000        | RMB'000        |             | RMB'000                       | RMB'000                      |             |
| Amortisation of land use rights                             | 555            | 294            | 88.8        | 1,698                         | 590                          | 187.8       |
| Amortisation of biological assets                           | 12,615         | 11,894         | 6.1         | 187,122                       | 59,805                       | 212.9       |
| Amortisation of prepayment                                  | 3,801          | 1,828          | 107.9       | 12,400                        | 2,771                        | 347.5       |
| Depreciation of property, plant and equipment               | 1,612          | 970            | 66.2        | 5,484                         | 1,901                        | 188.5       |
| Exchange (gain)/loss, net                                   | (2,223)        | 413            | n/m         | (2,133)                       | 1,718                        | n/m         |
| Interest income   | (25)           | (26)           | (3.8)       | (195)                         | (63)                         | 209.5       |
| Loss/(Gain) from changes in fair value of biological assets | 28,240         | (5,020)        | n/m         | 28,240                        | (5,020)                      | n/m         |
| Gain on compensation from expropriated land                 | -              | -              | n/m         | -                             | (260)                        | n/m         |
| Property, plant and equipment written off                   | 324            | -              | n/m         | 324                           | -                            | n/m         |
| Government grants   | -              | -              | n/m         | (195)                         | (50)                         | 290.0       |
| Share-based payment expenses                                | 4,555          | -              | n/m         | 8,071                         | -                            | n/m         |

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 30<br>Jun 2012 | As at 30<br>Jun 2011 | As at 30<br>Jun 2012 | As at 30<br>Jun 2011 |
|                                      | RMB'000              | RMB'000              | RMB'000              | RMB'000              |
| <b>Non-current assets</b>            |                      |                      |                      |                      |
| Property, plant and equipment        | 35,217               | 18,907               | 7                    | 13                   |
| Biological assets <sup>(1)</sup>     | 188,922              | 122,950              | -                    | -                    |
| Land use rights                      | 80,225               | 44,408               | -                    | -                    |
| Investments in subsidiaries          | -                    | -                    | 92,121               | 88,686               |
| Prepayments                          | 52,173               | 51,256               | -                    | -                    |
|                                      | <b>356,537</b>       | 237,521              | <b>92,128</b>        | 88,699               |
| <b>Current assets</b>                |                      |                      |                      |                      |
| Biological assets <sup>(2)</sup>     | 100                  | 100                  | -                    | -                    |
| Inventories                          | 15,136               | 16,619               | -                    | -                    |
| Trade and other receivables          | 185,880              | 139,302              | 47,335               | 47,066               |
| Cash and bank balances               | 14,280               | 34,454               | 2,869                | 7,649                |
|                                      | <b>215,396</b>       | 190,475              | <b>50,204</b>        | 54,715               |
| <b>Less:</b>                         |                      |                      |                      |                      |
| <b>Current liabilities</b>           |                      |                      |                      |                      |
| Trade and other payables             | 19,675               | 12,834               | 1,094                | 1,378                |
| Current income tax payable           | 2,384                | 1,824                | -                    | -                    |
|                                      | <b>22,059</b>        | 14,658               | <b>1,094</b>         | 1,378                |
| <b>Net current assets</b>            | <b>193,337</b>       | 175,817              | <b>49,110</b>        | 53,337               |
| <b>Non-current liability</b>         |                      |                      |                      |                      |
| Deferred tax liability               | (3,582)              | (12,079)             | -                    | -                    |
| <b>Net assets</b>                    | <b>546,292</b>       | 401,259              | <b>141,238</b>       | 142,036              |
| <b>Capital and reserves</b>          |                      |                      |                      |                      |
| Share capital                        | 138,692              | 135,176              | 138,692              | 135,176              |
| Share-based payment reserve          | 6,632                | 2,077                | 6,632                | 2,077                |
| Statutory reserve                    | 47,988               | 31,385               | -                    | -                    |
| Foreign currency translation reserve | (1,143)              | 1,372                | (2,876)              | 4,018                |
| Accumulated profits/(losses)         | 354,123              | 231,249              | (1,210)              | 765                  |
| <b>Total equity</b>                  | <b>546,292</b>       | 401,259              | <b>141,238</b>       | 142,036              |

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

<sup>(2)</sup>This represents shiitake mushroom mycelia 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 30 Jun 2012 |           | As at 30 Jun 2011 |           |
|-------------------|-----------|-------------------|-----------|
| Secured           | Unsecured | Secured           | Unsecured |
| Nil               | Nil       | Nil               | Nil       |

**Amount repayable after one year**

| As at 30 Jun 2012 |           | As at 30 Jun 2011 |           |
|-------------------|-----------|-------------------|-----------|
| Secured           | Unsecured | Secured           | Unsecured |
| Nil               | Nil       | Nil               | Nil       |

**Details of any collateral**

The Company's wholly-owned subsidiary, Wangcheng Foods Development Co., Ltd. ("Wangcheng"), had accepted the offer of credit facility (the "Facility") up to an aggregate principal amount of RMB20,000,000 granted by China Everbright Bank (the "Bank") and pledged its buildings and land use rights as collateral for the Facility in favour of the Bank. Mr Chen Qiu Hai, 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.

As at the date of this announcement, the Facility has not been drawn down.

**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>Full Year Ended</b>                 |                                       |
|--|------------------------|------------------------|--|---------------------------------------|
|  | <b>30 Jun<br/>2012</b> | <b>30 Jun<br/>2011</b> | <b>30 Jun<br/>2012<br/>(12 months)</b> | <b>30 Jun<br/>2011<br/>(6 months)</b> |
|  | <b>RMB'000</b>         | <b>RMB'000</b>         | <b>RMB'000</b>                         | <b>RMB'000</b>                        |
| <b>Cash flow from operating activities</b>                                 |                        |                        |  |                                       |
| (Loss)/Profit before income tax  | <b>(25,807)</b>        | 11,659                 | <b>139,338</b>                         | 76,140                                |
| Adjustments for:   |                        |                        |  |                                       |
| Depreciation of property, plant and equipment                              | <b>1,612</b>           | 970                    | <b>5,484</b>                           | 1,901                                 |
| Amortisation of biological assets <sup>(1)</sup>                           | <b>12,615</b>          | 11,894                 | <b>187,122</b>                         | 59,805                                |
| Amortisation of land use rights  | <b>555</b>             | 294                    | <b>1,698</b>                           | 590                                   |
| Amortisation of prepayments  | <b>3,801</b>           | 1,828                  | <b>12,400</b>                          | 2,771                                 |
| Property, plant and equipment written off                                  | <b>324</b>             | -                      | <b>324</b>                             | -                                     |
| Gain on compensation for expropriated land                                 | -                      | (260)                  | -                                      | (260)                                 |
| Loss/(Gain) from changes in fair value of biological assets <sup>(2)</sup> | <b>28,240</b>          | (5,020)                | <b>28,240</b>                          | (5,020)                               |
| Interest income  | <b>(25)</b>            | (26)                   | <b>(195)</b>                           | (63)                                  |
| Share-based payment expenses   | <b>4,555</b>           | -                      | <b>8,071</b>                           | -                                     |
| Operating profits before working capital changes                           | <b>25,870</b>          | 21,339                 | <b>382,482</b>                         | 135,864                               |
| Biological assets <sup>(1)</sup>   | -                      | (100)                  | <b>(187,122)</b>                       | (5,270)                               |
| Inventories  | <b>(1,074)</b>         | 1,557                  | <b>1,483</b>                           | (3,305)                               |
| Trade and other receivables  | <b>(17,114)</b>        | 5,557                  | <b>(38,835)</b>                        | (101,871)                             |
| Trade and other payables   | <b>(3,079)</b>         | (7,903)                | <b>6,841</b>                           | (13,176)                              |
| Cash generated from operations   | <b>4,603</b>           | 20,450                 | <b>164,849</b>                         | 12,242                                |
| Interest received  | <b>25</b>              | 26                     | <b>195</b>                             | 63                                    |
| Income taxes paid  | <b>(2,143)</b>         | (1,348)                | <b>(7,798)</b>                         | (3,797)                               |
| Exchange difference on operating activities                                | -                      | (549)                  | -                                      | -                                     |
| <b>Net cash generated from operating activities</b>                        | <b>2,485</b>           | 18,579                 | <b>157,246</b>                         | 8,508                                 |
| <b>Cash flow used in investing activities</b>                              |                        |                        |  |                                       |
| Purchase of property, plant and equipment                                  | <b>(9,378)</b>         | (883)                  | <b>(22,118)</b>                        | (1,862)                               |
| Purchase of biological assets <sup>(2)</sup>                               | -                      | -                      | <b>(94,212)</b>                        | -                                     |
| Purchase of land use rights  | -                      | -                      | <b>(37,515)</b>                        | -                                     |
| Compensation received for expropriated land                                | -                      | 260                    | -                                      | 260                                   |
| Prepayments  | -                      | (34,687)               | <b>(21,060)</b>                        | (37,094)                              |
| Currency translation difference on investing activities                    | <b>(4,449)</b>         | (1,530)                | -                                      | (1,530)                               |
| <b>Net cash used in investing activities</b>                               | <b>(13,827)</b>        | (36,840)               | <b>(174,905)</b>                       | (40,226)                              |

Yamada Green Resources Limited

| <b><u>The Group</u></b>  | <b>3 Months Ended</b>  |                | <b>Full Year Ended</b>         |                       |
|--|------------------------|----------------|--------------------------------|-----------------------|
|  | <b>30 Jun<br/>2012</b> | 30 Jun<br>2011 | <b>30 Jun<br/>2012</b>         | 30 Jun<br>2011        |
|  | <b>RMB'000</b>         | RMB'000        | <b>(12 months)<br/>RMB'000</b> | (6 months)<br>RMB'000 |
| <b>Cash flow from financing activities</b>                         |                        |                |                                |                       |
| Payment of dividend  | -                      | (17,484)       | -                              | (17,484)              |
| Currency translation difference on financing activities            | <b>1,815</b>           | 3,344          | <b>(2,204)</b>                 | 3,344                 |
| <b>Net cash generated from/(used in) financing activities</b>      | <b>1,815</b>           | (14,140)       | <b>(2,204)</b>                 | (14,140)              |
| <b>Net decrease in cash and bank balances</b>                      | <b>(9,527)</b>         | (32,401)       | <b>(19,863)</b>                | (45,858)              |
| <b>Cash and bank balances at beginning of the financial period</b> | <b>23,670</b>          | 67,067         | <b>34,454</b>                  | 80,020                |
| Effect of foreign exchange rate changes in cash and bank balances  | <b>137</b>             | (212)          | <b>(311)</b>                   | 292                   |
| <b>Cash and bank balances at end of the financial period</b>       | <b>14,280</b>          | 34,454         | <b>14,280</b>                  | 34,454                |

(1) This represents shiitake mushroom synthetic logs held by the Group.

(2) This represents eucalyptus trees in plantation forest.

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<br>RMB'000 |
|---|--|--|------------------------------|---|---|-------------------------|
|   | Share capital<br>RMB'000                 | Share-based payment reserve<br>RMB'000 | Statutory reserve<br>RMB'000 | Foreign currency translation reserve<br>RMB'000 | Accumulated profits/(losses)<br>RMB'000 |                         |
| <b>Balance as at 01.01.2011</b>                                   | 135,176                                  | 2,077                                  | 24,045                       | (735)   | 186,511                                 | 347,074                 |
| Profit for the financial period                                   | -  | -                                      | -                            | -   | 63,133                                  | 63,133                  |
| <i>Other comprehensive income for the financial period</i>        |  |  |                              |   |   |                         |
| Foreign currency translation reserve                              | -  | -                                      | -                            | 1,277   | -                                       | 1,277                   |
| <i>Total comprehensive income for the financial period</i>        | -  | -                                      | -                            | 1,277   | 63,133                                  | 64,410                  |
| <b>Balance as at 31.03.2011</b>                                   | 135,176                                  | 2,077                                  | 24,045                       | 542   | 249,644                                 | 411,484                 |
| Profit for the financial period                                   | -  | -                                      | -                            | -   | 6,429                                   | 6,429                   |
| <i>Other comprehensive income for the financial period</i>        |  |  |                              |   |   |                         |
| Foreign currency translation reserve                              | -  | -                                      | -                            | 830   | -                                       | 830                     |
| <i>Total comprehensive income for the financial period</i>        | -  | -                                      | -                            | 830   | 6,429                                   | 7,259                   |
| <i>Contributions by and distributions to owners of the parent</i> |  |  |                              |   |   |                         |
| Dividends paid  | -  | -                                      | -                            | -   | (17,484)                                | (17,484)                |
| Transfer to statutory reserve                                     | -  | -                                      | 7,340                        | -   | (7,340)                                 | -                       |
| <b>Balance as at 30.06.2011</b>                                   | 135,176                                  | 2,077                                  | 31,385                       | 1,372   | 231,249                                 | 401,259                 |



| <u>The Group</u>  | ← Attributable to owners of the parent → |                             |                   |                                      |                              |              |
|---|--|-----------------------------|-------------------|--------------------------------------|------------------------------|--------------|
|   | Share capital                            | Share-based payment reserve | Statutory reserve | Foreign currency translation reserve | Accumulated profits/(losses) | Total equity |
|   | RMB'000                                  | RMB'000                     | RMB'000           | RMB'000                              | RMB'000                      | RMB'000      |
| <b>Balance as at 01.07.2011</b>                                   | 135,176                                  | 2,077                       | 31,385            | 1,372                                | 231,249                      | 401,259      |
| Profit for the financial period                                   | -  | -                           | -                 | -                                    | 4,209                        | 4,209        |
| <i>Other comprehensive income for the financial period</i>        |  |                             |                   |                                      |                              |              |
| Foreign currency translation reserve                              | -  | -                           | -                 | (520)                                | -                            | (520)        |
| <i>Total comprehensive income for the financial period</i>        | -  | -                           | -                 | (520)                                | 4,209                        | 3,689        |
| <b>Balance as at 30.09.2011</b>                                   | 135,176                                  | 2,077                       | 31,385            | 852                                  | 235,458                      | 404,948      |
| Profit for the financial period                                   | -  | -                           | -                 | -                                    | 73,236                       | 73,236       |
| <i>Other comprehensive income for the financial period</i>        |  |                             |                   |                                      |                              |              |
| Foreign currency translation reserve                              | -  | -                           | -                 | (51)                                 | -                            | (51)         |
| <i>Total comprehensive income for the financial period</i>        | -  | -                           | -                 | (51)                                 | 73,236                       | 73,185       |
| <i>Contributions by and distributions to owners of the parent</i> |  |                             |                   |                                      |                              |              |
| Share-based payment   | -  | 3,516                       | -                 | -                                    | -                            | 3,516        |
| Transfer to statutory reserve                                     | -  | -                           | 14,671            | -                                    | (14,671)                     | -            |
| <b>Balance as at 31.12.2011</b>                                   | 135,176                                  | 5,593                       | 46,056            | 801                                  | 294,023                      | 481,649      |

| <u>The Group</u>  | ← Attributable to owners of the parent → |                             |                   |                                      |                              |              |
|---|--|-----------------------------|-------------------|--------------------------------------|------------------------------|--------------|
|   | Share capital                            | Share-based payment reserve | Statutory reserve | Foreign currency translation reserve | Accumulated profits/(losses) | Total equity |
|   | RMB'000                                  | RMB'000                     | RMB'000           | RMB'000                              | RMB'000                      | RMB'000      |
| <b>Balance as at 01.01.2012</b>                                   | 135,176                                  | 5,593                       | 46,056            | 801                                  | 294,023                      | 481,649      |
| Profit for the financial period                                   | -  | -                           | -                 | -                                    | 81,486                       | 81,486       |
| <i>Other comprehensive income for the financial period</i>        |  |                             |                   |                                      |                              |              |
| Foreign currency translation reserve                              | -  | -                           | -                 | 454                                  | -                            | 454          |
| <i>Total comprehensive income for the financial period</i>        | -  | -                           | -                 | 454                                  | 81,486                       | 81,940       |
| <i>Contributions by and distributions to owners of the parent</i> |  |                             |                   |                                      |                              |              |
| Grant of performance share awards                                 | 3,516                                    | (3,516)                     | -                 | -                                    | -                            | -            |
| Transfer to statutory reserve                                     | -  | -                           | (6,478)           | -                                    | 6,478                        | -            |
| <b>Balance as at 31.03.2012</b>                                   | 138,692                                  | 2,077                       | 39,578            | 1,255                                | 381,987                      | 563,589      |
| Loss for the financial period                                     | -  | -                           | -                 | -                                    | (19,454)                     | (19,454)     |
| <i>Other comprehensive income for the financial period</i>        |  |                             |                   |                                      |                              |              |
| Foreign currency translation reserve                              | -  | -                           | -                 | (2,398)                              | -                            | (2,398)      |
| <i>Total comprehensive income for the financial period</i>        | -  | -                           | -                 | (2,398)                              | (19,454)                     | (21,852)     |
| <i>Contributions by and distributions to owners of the parent</i> |  |                             |                   |                                      |                              |              |
| Share-based payment   | -  | 4,555                       | -                 | -                                    | -                            | 4,555        |
| Transfer to statutory reserve                                     | -  | -                           | 8,410             | -                                    | (8,410)                      | -            |
| <b>Balance as at 30.06.2012</b>                                   | 138,692                                  | 6,632                       | 47,988            | (1,143)                              | 354,123                      | 546,292      |

Yamada Green Resources Limited

| <u>The Company</u>  | Share capital<br>RMB'000 | Share-based<br>payment<br>reserve<br>RMB'000 | Foreign<br>currency<br>translation<br>reserve<br>RMB'000 | Accumulated<br>profits/(losses<br>)<br>RMB'000 | Total equity<br>RMB'000 |
|---|--------------------------|--|--|--|-------------------------|
| <b>Balance as at 01.01.2011</b>   | 135,176                  | 2,077  | 380  | 23,276   | 160,909                 |
| Loss for the financial<br>period  | -                        | -  | -  | (1,579)  | (1,579)                 |
| <i>Other comprehensive<br/>income for the financial<br/>period</i>        |                          |  |  |  |                         |
| Foreign currency<br>translation reserve                                   | -                        | -  | 2,326  | -  | 2,326                   |
| <i>Total comprehensive<br/>income for the financial<br/>period</i>        | -                        | -  | 2,326  | (1,579)  | 747                     |
| <b>Balance as at 31.03.2011</b>   | 135,176                  | 2,077  | 2,706  | 21,697   | 161,656                 |
| Loss for the financial<br>period  | -                        | -  | -  | (3,448)  | (3,448)                 |
| <i>Other comprehensive<br/>income for the financial<br/>period</i>        |                          |  |  |  |                         |
| Foreign currency<br>translation reserve                                   | -                        | -  | 1,312  | -  | 1,312                   |
| <i>Total comprehensive<br/>income for the financial<br/>period</i>        | -                        | -  | 1,312  | (3,448)  | (2,136)                 |
| <i>Contributions by and<br/>distributions to owners of<br/>the parent</i> |                          |  |  |  |                         |
| Dividends paid  | -                        | -  | -  | (17,484)                                       | (17,484)                |
| <b>Balance as at 30.06.2011</b>   | 135,176                  | 2,077  | 4,018  | 765  | 142,036                 |

Yamada Green Resources Limited

| <u>The Company</u>  | Share capital<br>RMB'000 | Share-based<br>payment<br>reserve<br>RMB'000 | Foreign<br>currency<br>translation<br>reserve<br>RMB'000 | Accumulated<br>profits/(losses)<br>RMB'000 | Total equity<br>RMB'000 |
|---|--------------------------|--|--|--|-------------------------|
| <b>Balance as at 01.07.2011</b>                                   | 135,176                  | 2,077  | 4,018  | 765  | 142,036                 |
| Profit for the financial period                                   | -                        | -  | -  | 2,724                                      | 2,724                   |
| <i>Other comprehensive income for the financial period</i>        |                          |  |  |  |                         |
| Foreign currency translation reserve                              | -                        | -  | (8,516)  | -  | (8,516)                 |
| <i>Total comprehensive income for the financial period</i>        | -                        | -  | (8,516)  | 2,724                                      | (5,792)                 |
| <b>Balance as at 30.09.2011</b>                                   | 135,176                  | 2,077  | (4,498)  | 3,489                                      | 136,244                 |
| Loss for the financial period                                     | -                        | -  | -  | (4,062)                                    | (4,062)                 |
| <i>Other comprehensive income for the financial period</i>        |                          |  |  |  |                         |
| Foreign currency translation reserve                              | -                        | -  | (1,683)  | -  | (1,683)                 |
| <i>Total comprehensive income for the financial period</i>        | -                        | -  | (1,683)  | (4,062)                                    | (5,745)                 |
| <i>Contributions by and distributions to owners of the parent</i> |                          |  |  |  |                         |
| Share-based payment   | -                        | 3,516  | -  | -  | 3,516                   |
| <b>Balance as at 31.12.2011</b>                                   | <u>135,176</u>           | <u>5,593</u>                                 | <u>(6,181)</u>   | <u>(573)</u>                               | <u>134,015</u>          |

Yamada Green Resources Limited

| <u>The Company</u>  | Share capital<br>RMB'000 | Share-based<br>payment<br>reserve<br>RMB'000 | Foreign<br>currency<br>translation<br>reserve<br>RMB'000 | Accumulated<br>profits/(losses)<br>RMB'000 | Total equity<br>RMB'000 |
|---|--------------------------|--|--|--|-------------------------|
| <b>Balance as at 01.01.2012</b>                                   | 135,176                  | 5,593  | (6,181)  | (573)                                      | 134,015                 |
| Profit for the financial period                                   | -                        | -  | -  | 26   | 26                      |
| <i>Other comprehensive income for the financial period</i>        |                          |  |  |  |                         |
| Foreign currency translation reserve                              | -                        | -  | 2,729  | -  | 2,729                   |
| <i>Total comprehensive income for the financial period</i>        | -                        | -  | 2,729  | 26   | 2,755                   |
| <i>Contributions by and distributions to owners of the parent</i> |                          |  |  |  |                         |
| Grant of performance share awards                                 | 3,516                    | (3,516)                                      | -  | -  | -                       |
| <b>Balance as at 31.03.2012</b>                                   | 138,692                  | 2,077  | (3,452)  | (547)                                      | 136,770                 |
| Loss for the financial period                                     | -                        | -  | -  | (663)                                      | (663)                   |
| <i>Other comprehensive income for the financial period</i>        |                          |  |  |  |                         |
| Foreign currency translation reserve                              | -                        | -  | 576  | -  | 576                     |
| <i>Total comprehensive income for the financial period</i>        | -                        | -  | 576  | (663)                                      | (87)                    |
| <i>Contributions by and distributions to owners of the parent</i> |                          |  |  |  |                         |
| Share-based payment   | -                        | 4,555  | -  | -  | 4,555                   |
| <b>Balance as at 30.06.2012</b>                                   | 138,692                  | 6,632  | (2,876)  | (1,210)                                    | 141,238                 |

- 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 during the period reported on.

There were no outstanding convertibles or treasury shares held as at 30 June 2012 and 30 June 2011.

- 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 2011   | 406,595,175               |
| Issuance and vesting of<br>performance share awards on 28<br>February 2012 | <u>4,340,000</u>          |
| <b>As at 30 June 2012</b>  | <b><u>410,935,175</u></b> |

- 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.**

Save as disclosed in paragraph 5 below, 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 2011.

**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.**

On 1 July 2011, the Group adopted the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are relevant to its operations and are effective in the financial year ended 30 June 2012 ("FY2012"). The adoption of these new or revised FRS and INT FRS where relevant has no material impact on the Group's accounting policies or the financial statements for the current financial year.

**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>3 Months Ended</u>  |                | <u>Full Year Ended</u> |                 |
|---|------------------------|----------------|------------------------|-----------------|
|   | <b>30 Jun<br/>2012</b> | 30 Jun<br>2011 | <b>30 Jun<br/>2012</b> | 30 Jun<br>2011  |
| <b><u>The Group</u></b>   |                        |                | <b>(12 mths)</b>       | <b>(6 mths)</b> |
| Net (loss)/profit after tax attributable to equity holders of the Company (RMB'000) | <b>(19,454)</b>        | 6,429          | <b>139,476</b>         | 69,562          |
| Number of ordinary shares ('000)  | <b>410,935</b>         | 406,595        | <b>408,042</b>         | 406,595         |
| (Losses)/Earnings per share (RMB cents)   |                        |                |                        |                 |
| <b>- basic</b>  | <b>(4.7)</b>           | 1.6            | <b>34.2</b>            | 17.1            |

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.

|   | <u>3 Months Ended</u>  |                | <u>Full Year Ended</u> |                 |
|---|------------------------|----------------|------------------------|-----------------|
|   | <b>30 Jun<br/>2012</b> | 30 Jun<br>2011 | <b>30 Jun<br/>2012</b> | 30 Jun<br>2011  |
| <b><u>The Group</u></b>   |                        |                | <b>(12 mths)</b>       | <b>(6 mths)</b> |
| Net (loss)/profit after tax attributable to equity holders of the Company (RMB'000) | <b>(19,454)</b>        | 6,429          | <b>139,476</b>         | 69,562          |
| Number of ordinary shares ('000)  | <b>431,595</b>         | 406,595        | <b>428,702</b>         | 406,595         |
| (Losses)/Earnings per share (RMB cents)   |                        |                |                        |                 |
| <b>- fully diluted</b>  | <b>(4.5)</b>           | 1.6            | <b>32.5</b>            | 17.1            |

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 which had been approved and adopted by the shareholders at the EGM. The corresponding period of the immediately preceding financial year did not have any potential dilutive instruments. For calculation purposes, we assumed that the grant of 25,000,000 ordinary shares took place on 1 July 2011.

As at 30 June 2012, 4,340,000 ordinary shares of the above 25,000,000 ordinary shares was issued and vested.

For comparative purposes, proforma basis 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 issued share capital of the Company at the end of the respective financial periods.

|   | <u>3 Months Ended</u>  |                | <u>Full Year Ended</u>              |                            |
|---|------------------------|----------------|-------------------------------------|----------------------------|
|   | <b>30 Jun<br/>2012</b> | 30 Jun<br>2011 | <b>30 Jun<br/>2012</b><br>(12 mths) | 30 Jun<br>2011<br>(6 mths) |
| <b><u>The Group</u></b>   |                        |                |                                     |                            |
| Net (loss)/profit after tax attributable to equity holders of the Company (RMB'000) | <b>(19,454)</b>        | 6,429          | <b>139,476</b>                      | 69,562                     |
| Number of ordinary shares ('000)  | <b>410,935</b>         | 406,595        | <b>410,935</b>                      | 406,595                    |
| (Losses)/Earnings per share (RMB cents)<br><i>- on a proforma basis</i>             | <b>(4.7)</b>           | 1.6            | <b>33.9</b>                         | 17.1                       |

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.**

| <b><u>The Group</u></b>               | <b>As at 30 Jun 2012</b> | As at 30 Jun 2011 |
|---------------------------------------|--------------------------|-------------------|
| Net asset value per share (RMB cents) | <b>132.9</b>             | 98.7              |
| Number of ordinary shares ('000)      | <b>410,935</b>           | 406,595           |
| <b><u>The Company</u></b>             | <b>As at 30 Jun 2012</b> | As at 30 Jun 2011 |
| Net asset value per share (RMB cents) | <b>34.7</b>              | 34.9              |
| Number of ordinary shares ('000)      | <b>410,935</b>           | 406,595           |

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 fourth quarter ended 30 June 2012 ("4Q2012")

#### Revenue

Our revenue increased by approximately RMB4.1 million, from approximately RMB54.4 million during April 2011 to June 2011 ("4Q2011") to approximately RMB58.5 million in 4Q2012, an increase of approximately 7.5%.

Sales of processed food products were increased by approximately RMB7.0 million, from approximately RMB35.4 million in 4Q2011 to RMB42.4 million in 4Q2012. The increase



arose mainly from better export sales to the Japanese market, in particular, water-boiled bamboo shoots and other water-boiled vegetables, from approximately RMB21.0 million in 4Q2011 to approximately RMB30.1 million in 4Q2012. The increase was partly offset by a decrease in sales in domestic market, from approximately RMB14.4 million in 4Q2011 to approximately RMB12.3 million in 4Q2012. To capture more domestic consumer market and stimulate sales of our konjac-based dietary fibre products such as “7<sup>th</sup> Element”, “Model S” and “Xian Xian Mian”, we have launched summer promotion in May 2012 for dietary fibre products at approximately 10% discounted selling prices. Our domestic sales account for approximately 30% of total revenue from processed food products segment.

Sales of self-cultivated shiitake mushrooms were increased by approximately RMB1.7 million, from approximately RMB14.4 million in 4Q2011 to RMB16.1million in 4Q2012. We operated approximately 5,134 mu of cultivation bases in 4Q2012 as against approximately 2,614 mu in 4Q2011. We produced and sold approximately 2,500 tonnes of self-cultivated shiitake mushrooms in 4Q2012 as compared to approximately 2,000 tonnes in 4Q2011. The poorer harvest is due primarily to the unfavourable weather condition during the period between January and March 2012. It also resulted in a shorter harvesting season in April 2012, which ended approximately 10 days earlier, compared with April 2011.

There were no sales of fresh produce of self-cultivated black fungus in 4Q2012 because there was no harvest for that period.

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

Our gross profit decreased by approximately RMB5.4 million or 28.6%, from approximately RMB18.7 million in 4Q2011 to approximately RMB13.3 million in 4Q2012 despite a moderate increase in revenue of approximately 7.5%.

Our overall gross profit margin decreased to 22.8% in 4Q2012 from approximately 34.3% in 4Q2011 as a result of lower gross profit achieved by our self-cultivation business segment.

#### **Other operating income**

Other operating income comprises mainly distribution fees received from our 12 appointed distribution outlets, government grants and subsidies, interest income, net gain on exchange difference and other miscellaneous gains. The distribution fees from our 12 appointed distribution outlets amounting to approximately RMB4.2 million in 4Q2012 which was absent in 4Q2011. The remaining are mostly net gain on exchange difference and from interest received from banks and government subsidies.

#### **Loss from changes in fair value of biological assets**

The fair value of our eucalyptus trees at each balance sheet date is obtained through an independent expert valuer. The loss from changes in fair value of biological assets was approximately RMB28.2 million in 4Q2012 as compared with a gain from changes in fair value of biological assets of approximately RMB5.0 million in 4Q2011. We currently own 51,193 mu of eucalyptus trees plantation. (4Q2011: 30,257 mu).

A copy of the valuation report is available for inspection at our registered office during normal business hours for three months from the date of the announcement.

#### **Operating expenses**

Selling and distribution expenses increased by approximately RMB0.2 million or 10.0%, from approximately RMB1.9 million in 4Q2011 to approximately RMB2.1 million in 4Q2012. There was an increase in salaries of sales and marketing staff in view of the higher level of marketing activities carried out in PRC market. However, the increase was partly offset by the savings on expenses to engage a brand consulting firm for branding, repositioning and

marketing our konjac-based dietary fibre food products in PRC market, which we have discontinued.

Administrative expenses increased by approximately RMB3.6 million or 40.1%, from RMB9.1 million in 4Q2011 to RMB12.7 million in 4Q2012. This was mainly attributable to the share-based payment under Yamada Performance Share Plan of approximately RMB4.5 million.

Other operating expenses comprised mainly maintenance cost of eucalyptus trees in our plantation forest and foreign exchange loss. The maintenance cost of eucalyptus trees in our plantation forest was approximately RMB2.3 million in 4Q2012 and RMB1.0 million 4Q2011, respectively.

#### **Income tax expenses**

Our income tax expense was approximately RMB5.2 million in 4Q2011 as compared to an income tax credit of approximately RMB6.3 million in 4Q2012. This was mainly due to an one time reversal of provision for deferred tax liability which represents withholding tax that would be payable on certain distributable earnings of the PRC subsidiaries.

Our subsidiary, Wangcheng, is subject to the Enterprise Income Tax at the rate of 25.0% and our subsidiary, Yuanwang, is subject to the Enterprise Income Tax at a 50.0% reduction, ie, the rate of 12.5%. Our self-cultivated edible fungi business segment is exempted from the Enterprise Income Tax and the value added tax for revenue deriving from the sales of self-cultivated and/or semi-processed agricultural products.

#### **Total comprehensive loss for the period**

The resulting comprehensive loss for the quarter under review is approximately RMB21.9 million as compared to an income of approximately RMB7.3 million in 4Q2011.

**Review of performance for the Full Year ended 30 June 2012 (“FY2012”)**

With the change of financial year end from 31 December to 30 June, current financial year covers a 12-month period whereas the previous financial year covered a 6-month period. Generally this accounted for the higher revenue and expenses for the current financial year. Therefore, the percentage of increase compared with the previous year is pure arithmetical calculations.

For the purpose of this announcement, the review of performance for the 12 months ended 30 June 2012 (“FY2012”) had been compared with the 12 months ended 30 June 2011 (“FY2010”).

| <b><u>The Group</u></b>   | <b>12 Months Ended</b>         |                                | <b>Change<br/>%</b> |
|---|--------------------------------|--------------------------------|---------------------|
|   | <b>30 Jun 2012<br/>RMB'000</b> | <b>30 Jun 2011<br/>RMB'000</b> |                     |
| Revenue   | <b>553,331</b>                 | 364,454                        | 51.8                |
| Cost of sales   | <b>(345,034)</b>               | (216,979)                      | 59.0                |
| Gross profit  | <b>208,297</b>                 | 147,475                        | 41.2                |
| <i>Gross profit margin</i>  | <b>37.6%</b>                   | 40.5%                          | (2.9%)              |
| Other operating income  | <b>6,742</b>                   | 4,616                          | 46.1                |
| (Loss)/Gain from changes in<br>fair value of biological<br>assets | <b>(28,240)</b>                | 19,608                         | n/m                 |
| Selling and distribution<br>expenses                              | <b>(8,801)</b>                 | (4,030)                        | 118.4               |
| Administrative expenses   | <b>(31,797)</b>                | (34,662)                       | (8.3)               |
| Other operating expenses  | <b>(6,863)</b>                 | (6,901)                        | (0.1)               |
| Profit before income tax  | <b>139,338</b>                 | 126,106                        | 10.5                |
| Income tax expense  | <b>138</b>                     | (13,394)                       | n/m                 |
| Profit after income tax   | <b>139,476</b>                 | 112,712                        | 23.7                |
| <i>Other comprehensive<br/>income, net of tax</i>                 |                                |                                |                     |
| Foreign currency translation                                      | <b>(2,514)</b>                 | 1,372                          | n/m                 |
| Total comprehensive income<br>for the financial year              | <b>136,962</b>                 | 114,084                        | 20.1                |

n/m – not meaningful

## Revenue

Our revenue increased by approximately RMB188.9 million, from RMB364.4 million during July 2010 to June 2011 ("FY2011") to RMB553.3 million in FY2012, an increase of 51.8%.

There was an increase of approximately RMB167.0 million, from RMB211.5 million in FY2011 to RMB378.5 million in FY2012, in sales of self-cultivated shiitake mushrooms because of additional cultivation bases. In FY2012, we operated approximately 5,134 mu of shiitake mushroom cultivation bases as against approximately 2,614 mu in FY2011.

We produced and sold approximately 56,000 tonnes of self-cultivated shiitake mushrooms in FY2012 as compared to approximately 31,000 tonnes in FY2011. The unfavourable weather condition during the current harvesting season has resulted in poorer harvest in FY2012 as compared to that of FY2011.

The average unit selling price of fresh produce of our self-cultivated shiitake mushroom remains relatively stable at approximately RMB6.75 per kg in FY2012 as compared to RMB6.78 per kg in FY2011, an RMB0.03 per kg drop in average unit selling price, or 0.4%.

There was an increase of approximately RMB4.5 million, from RMB9.1 million in FY2011 to RMB13.6 million in FY2012, in sales of fresh produce of self-cultivated black fungus. The increase was mainly due to there were 3 harvests in FY2012 as compared to 2 harvests in FY2011 as we only started cultivation and sales of black fungus in February 2011.

We produced and sold approximately 2,900 tonnes of fresh produce of self-cultivated black fungus in FY2012 as compared to approximately 2,000 tonnes in FY2011.

The average unit selling price of fresh produce of our self-cultivated black fungus increased from approximately RMB4.5 per kg in FY2011 to RMB4.7 per kg in FY2012, a rise of RMB0.20 per kg, or 4%.

Sales of processed food products increased by approximately RMB17.4 million from RMB143.8 million in FY2011 to RMB161.2 million in FY2012. The increase arose mainly from better export sales to the Japanese market, in particular, water-boiled bamboo shoots, konjac products and dried vegetables. Domestic market remains relatively stable at approximately RMB56.7 million (FY2011: RMB54.2 million). Our domestic sales account for approximately one third of total revenue from processed food products segment.

## Gross profit and gross profit margin

Our gross profit increased by approximately RMB60.8 million or 41.2%, from RMB147.5 million in FY2011 to RMB208.3 million in FY2012 which was in line with the increase in revenue.

Our overall gross profit margin decreased to approximately 37.6% in FY2012 from 40.5% in FY2011.

The gross profit margin for our self-cultivation business segment decreased from approximately 49.5% in FY2011 to approximately 39.9% in FY2012 mainly due to the rising raw material cost of synthetic logs whereas our average unit selling price of fresh shiitake mushrooms had dropped by approximately 0.2%. The gross profit margin for self-cultivated black fungus was approximately 36.9% in FY2012 as compared to 40.5% in FY2011. Revenue generated from our self-cultivated fungi was approximately 70.9% of our total sales in FY2012 as compared to approximately 60.5% in FY2011.

The gross profit margin for our processed food products business segment increased from approximately 27.0% in FY2011 to approximately 32.2% in FY2012 as a result of rising average unit selling prices and easing raw material costs of our processed food products. In particular, the raw material costs of dried shiitake mushroom and bamboo shoots have

been declining gradually from their peak in November 2011. The major raw material prices have since stabilised.

#### **Other operating income**

Other operating income comprises mainly distribution fees received from our appointed self-cultivated shiitake mushroom distributors, government grants and subsidies, interest income and other miscellaneous gains. Other operating income increased from approximately RMB4.6 million in FY2011 to approximately RMB6.7 million in FY2012. This was mainly due to the distribution fees we received from our appointed self-cultivated shiitake mushroom distributors of approximately RMB4.2 million. The remaining are gains on exchange differences of RMB2.1 million, interest income of RMB0.2 million and government subsidies of RMB0.2 million. There was a one-off gain in FY2011 of approximately RMB3.4 million compensation received by our wholly-owned subsidiary, Fuzhou Wangcheng Foods Development Co., Ltd. from Fuzhou Government, for the acquisition of part of the industrial land located at Houyu Village, Jingxin Town, Fuzhou City, Fujian Province, PRC, which measures 20.75 mu (approximately 13,833.4 square metres).

#### **Loss from changes in fair value of biological assets**

The fair value of our eucalyptus trees at each balance sheet date is obtained through an independent expert valuer. The loss from changes in fair value of biological assets was approximately RMB28.2 million in FY2012 as compared with a gain from changes in fair value of biological assets of approximately RMB19.6 million in FY2011. We currently own 51,193 mu of eucalyptus trees plantation. (FY2011: 30,257 mu).

A copy of the valuation report is available for inspection at our registered office during normal business hours for three months from the date of the announcement.

#### **Operating expenses**

Selling and distribution expenses increased by approximately RMB4.8 million or 118.4%, from approximately RMB4.0 million in FY2011 to approximately RMB8.8 million in FY2012. This was mainly due to the increase in salaries of sales and marketing staff in view of the higher level of marketing activities carried out in PRC market and increased level of advertisement and promotion expenses to enhance the brand awareness for our processed food products. The average number of sales staff was increased from 14 in FY2011 to 66 in FY2012.

Administrative expenses decreased by approximately RMB2.8 million or 8.3%, from RMB34.7 million in FY2011 to RMB31.8 million in FY2012. This was mainly attributable to listing and related expenses of approximately RMB10.2 million in connection with our successful listing on SGX-ST in October 2010 which was absent in FY2012. The decrease was partly offset by additional share-based payment under Yamada Performance Share Plan of approximately RMB8.1 million and an additional approximately RMB0.6 million in R&D expenses in FY2012.

Other operating expenses comprise mainly maintenance cost of eucalyptus trees, net exchange loss on foreign currency transactions and other miscellaneous expenses. The maintenance cost of eucalyptus trees was approximately RMB6.5 million as compared to approximately RMB5.6 million in FY2011. We currently own 51,193 mu (FY2011: 30,257 mu) of eucalyptus trees plantation of which 20,936 mu (FY2011: 18,463 mu) are below 4 years. The eucalyptus trees in our plantation forest require less maintenance and fertilizer after the fourth year.

#### **Income tax expenses**

Our income tax expense was approximately RMB13.4 million in FY2011 as compared to an income tax credit of approximately RMB0.1 million in FY2012. This was mainly due to

an one time reversal of provision for deferred tax liability which represents withholding tax that would be payable on certain distributable earnings of the PRC subsidiaries.

Our subsidiary, Wangcheng, is subject to the Enterprise Income Tax at the rate of 25.0% and our subsidiary, Yuanwang, is subject to the Enterprise Income Tax at a 50.0% reduction, ie, the rate of 12.5%. Our self-cultivated edible fungi business segment is exempted from the Enterprise Income Tax and the value added tax for revenue derived from the sales of self-cultivated and/or semi-processed agricultural products.

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

The resulting comprehensive income for FY2012 increased by approximately RMB22.9 million or 20.1%, from approximately RMB114.1 million in FY2011 to approximately RMB137.0 million in FY2012 mainly due to higher sales achieved during the current financial year.

#### **STATEMENT OF FINANCIAL POSITION**

Our non-current assets increased by approximately RMB119.0 million or 50.1%, from RMB237.5 million as at 30 June 2011 to RMB356.5 million as at 30 June 2012. The increase was mainly due to the purchase of approximately 20,936 mu non-matured eucalyptus plantations and the corresponding forestry land use rights in December 2011 for approximately RMB131.7 million, payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest for approximately RMB14.1 million, additional payment of grant towards sales and marketing costs to our newly appointed self-cultivated shiitake mushrooms distribution outlets in PRC in order to strengthen our sales and distribution network for approximately RMB7.0 million, payment for constructions in progress and purchase of property, plant and equipment for further expansion of our production facilities. The increase was partially offset by the impairment loss on the non-matured eucalyptus plantations, the amortisation and depreciation of non-current assets.

Our current assets increased by RMB24.9 million or 13.1%, from RMB190.5 million as at 30 June 2011 to RMB215.4 million as at 30 June 2012. We have paid a deposit of approximately RMB16.9 million for a piece of industrial land situated in Fuzhou City, Fujian Province. The acquisition of land is approximately 50 mu which we intend to build new factory facility for processed food as part of our existing factory under Wangcheng was expropriated by Fuzhou Government in year 2010. The increase was also due to an increase in synthetic logs by approximately RMB25.6 million. This increase was partially offset by the decrease in in cash and bank balances of approximately RMB20.2 million.

Our current liabilities increased by approximately RMB7.4 million or 50.3%, from approximately RMB14.7 million as at 30 June 2011 to approximately RMB22.1 million as at 30 June 2012. This was mainly due to the increase in trade payables of approximately RMB5.4 million and increased accruals for construction in progress of approximately RMB1.5 million.

Our capital and reserves increased by approximately RMB145.0 million or 36.1% from RMB401.3 million as at 30 June 2011 to RMB546.3 million as at 30 June 2012 mainly due to the retention of net profit in FY2012.

#### **STATEMENT OF CASH FLOWS**

##### **4Q2012**

In 4Q2012, net cash generated from operating activities amounted to approximately RMB2.5 million. We generated net cash of approximately RMB25.9 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB21.3 million. This was mainly due to increase in trade and other receivables of approximately RMB17.1 million, comprised additional advance payment for the purchase of synthetic logs which was recorded as other receivables prior to their

utilisation, current portion of advance payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest and deposit for a piece of industrial land situated in Fuzhou City, Fujian Province. The acquisition of land is approximately 50 mu which we intend to build new factory facility for processed food as part of our existing factory under Wangcheng was expropriated by Fuzhou Government in year 2010. The cash outflow was also due to an increase in inventory of approximately RMB1.1 million and a decrease in trade and other payables of approximately RMB3.1 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB2.1 million.

Net cash of approximately RMB9.4 million was used in investing activities for the purchase of property, plant and equipment. Translation loss arising from investing activities was approximately RMB4.4 million as a result of depreciation of RMB against Singapore dollar during the financial period under review.

There were no financing activities in 4Q2011. However, translation gain arising from financing activities by translating the reserves from Singapore dollars into RMB presentation currency was approximately RMB1.8 million as a result of depreciation of RMB against Singapore dollar during the financial period under review.

#### **FY2012**

In FY2012, net cash generated from operating activities amounted to approximately RMB157.2 million. We generated net cash of approximately RMB382.5 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB217.6 million. This was mainly due to the utilisation of edible fungi synthetic logs of approximately RMB187.1 million, and the increase in trade and other receivables of approximately RMB38.8 million, comprised additional advance payment for the purchase of synthetic logs which was recorded as other receivables prior to their utilisation, current portion of advance payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest and deposit for a piece of industrial land situated in Fuzhou City, Fujian Province. The acquisition of land is approximately 50 mu which we intend to build new factory facility for processed food as part of our existing factory under Wangcheng was expropriated by Fuzhou Government in year 2010. The cash outflow was partly offset by cash inflow from an increase in other payables of approximately RMB6.8 million and a decrease in inventories of approximately RMB1.5 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB7.8 million.

We used net cash of approximately RMB174.9 million in investing activities. This was mainly for the purchase of approximately 20,936 mu non-matured eucalyptus plantations and the corresponding forestry land use rights in December 2011 for approximately RMB131.7 million, payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest for approximately RMB14.1 million, payment of grant towards sales and marketing costs to our newly appointed self-cultivated shiitake mushrooms distribution outlets of RMB7.0 million, the purchase of property, plant and equipment and progressive payment of construction cost for our logistic facilities, new factory and office building at our PRC subsidiaries of approximately RMB22.1 million.

There were no financing activities in FY2012. However, translation loss arising from financing activities by translating the reserves from Singapore dollars into RMB presentation currency was approximately RMB2.2 million as a result of appreciation of RMB against Singapore dollar during the financial year under review.

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

Our current results are in line with our statement made under paragraph 10 in our third quarter 2012 results announcement released on 10 May 2012, loss for the current period is mainly due to loss from changes in fair value of biological assets.

**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.**

Amid weak global economic conditions and moderate economic growth in the PRC, our Management will be judicious in steering the Group forward. Consumers' growing health consciousness and rising urbanisation in the PRC will lead to a steady increase in market demand for some of our key products, such as edible fungi and konjac-based dietary fibre food products. We will strengthen our product positioning, particularly in our own branded products by improving our sales and marketing strategy and expanding the sales and distribution network. We believe this will set a strong foundation for the Group's sustainable and continued growth in the long run.

Barring unforeseen circumstances, the Group remains optimistic about its performance for FY2013.

**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.**

Not applicable.

**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 full year ended 30 June 2012. The Group does not have a general mandate pursuant to Rule 920(1)(a)(ii).



**14. Update of Use of IPO Proceeds.**

The following table summarises the use of the net proceeds from the IPO to-date:

| <b>Future Plans</b>  | <b>Proposed</b>      | <b>Utilisation</b>   | <b>Balance</b>       |
|--|----------------------|----------------------|----------------------|
|  | <b>SGD (million)</b> | <b>SGD (million)</b> | <b>SGD (million)</b> |
| Expand our shiitake mushroom cultivation bases                                 | 4.6                  | 4.6                  | -                    |
| Expand our eucalyptus plantations  | 5.0                  | 5.0                  | -                    |
| Establish our own distribution and marketing network                           | 2.0                  | 2.0                  | -                    |
| Strengthen processing capabilities of our konjac-based processed food products | 1.8                  | 1.8                  | -                    |
| Balance as working capital   | 0.1                  | 0.1                  | -                    |
| <b>Total</b>   | <b>13.5</b>          | <b>13.5</b>          | <b>-</b>             |

As at the date of this announcement, the IPO proceeds had been fully utilised.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

**(a) Business Segment**

|  | Self-cultivated edible fungi<br>RMB'000 | Processed food products<br>RMB'000 | Corporate<br>RMB'000 | Total<br>RMB'000 |
|--|---|------------------------------------|----------------------|------------------|
| <b>FY2012</b>  |   |                                    |                      |                  |
| <b>Revenue</b>                                       |   |                                    |                      |                  |
| Sales to external customers                          | 392,156                                 | 161,175                            | -                    | 553,331          |
| <b>Segment results</b>                               | 156,442                                 | 51,855                             | -                    | 208,297          |
| Interest income                                      | 72                                      | 119                                | 4                    | 195              |
| Other income   | 4,188                                   | 149                                | 2,210                | 6,547            |
| Selling and distribution expenses                    | (2,995)                                 | (5,806)                            | -                    | (8,801)          |
| Administrative expenses                              | (8,135)                                 | (18,652)                           | (5,010)              | (31,797)         |
| Other operating expenses                             | (6,535)                                 | (328)                              | -                    | (6,863)          |
| Loss from changes in fair value of biological assets | (28,240)                                | -                                  | -                    | (28,240)         |
| Profit before income tax                             | 114,797                                 | 27,337                             | (2,796)              | 139,338          |
| Income tax (expenses)/credit                         | -                                       | (8,358)                            | 8,496                | 138              |
| Profit after income tax                              | 114,797                                 | 18,979                             | 5,700                | 139,476          |
| <b>Other segment items</b>                           |   |                                    |                      |                  |
| Additions of biological assets                       | 281,334                                 | -                                  | -                    | 281,334          |
| Capital expenditure -property, plant and equipment   | 11,290                                  | 10,828                             | -                    | 22,118           |
| -land use rights                                     | 37,515                                  | -                                  | -                    | 37,515           |
| Interest revenue                                     | 72                                      | 119                                | 4                    | 195              |
| Depreciation and amortisation                        | 204,670                                 | 2,028                              | 5                    | 206,703          |
| <b>Segment assets</b>                                | 483,734                                 | 85,289                             | 2,910                | 571,933          |
| <b>Segment liabilities</b>                           | 393                                     | 20,572                             | 4,676                | 25,641           |

|  | Self-cultivated edible fungi<br>RMB'000 | Processed food products<br>RMB'000 | Corporate<br>RMB'000 | Total<br>RMB'000 |
|--|---|------------------------------------|----------------------|------------------|
| <b>FY2011</b>  |   |                                    |                      |                  |
| <b>Revenue</b>                                       |   |                                    |                      |                  |
| Sales to external customers                          | 144,775                                 | 71,563                             | -                    | 216,338          |
| <b>Segment results</b>                               | 69,975                                  | 20,214                             | -                    | 90,189           |
| Interest income                                      | 23                                      | 24                                 | 16                   | 63               |
| Other income   | -                                       | 310                                | -                    | 310              |
| Gain from changes in fair value of biological assets | 5,020                                   | -                                  | -                    | 5,020            |
| Selling and distribution expenses                    | (139)                                   | (2,330)                            | -                    | (2,469)          |
| Administrative expenses                              | (3,219)                                 | (6,233)                            | (3,941)              | (13,393)         |
| Other operating expenses                             | (1,853)                                 | (8)                                | (1,719)              | (3,580)          |
| Profit before income tax                             | 69,807                                  | 11,977                             | (5,644)              | 76,140           |
| Income tax expense                                   | -                                       | (2,918)                            | (3,660)              | (6,578)          |
| Profit after income tax                              | 69,807                                  | 9,059                              | (9,304)              | 69,562           |
| <b>Other segment items</b>                           |   |                                    |                      |                  |
| Additions of biological assets                       | 5,270                                   | -                                  | -                    | 5,270            |
| Capital expenditure -property, plant and equipment   | 942                                     | 906                                | 14                   | 1,862            |
| Interest revenue                                     | 23                                      | 24                                 | 16                   | 63               |
| Depreciation and amortisation                        | 61,335                                  | 959                                | 2                    | 62,296           |
| <b>Segment assets</b>                                | 340,283                                 | 79,983                             | 7,730                | 427,996          |
| <b>Segment liabilities</b>                           | 287                                     | 12,993                             | 13,457               | 26,737           |

**(b) Geographical information**

Sales to external customers

|       | <b>Financial Year Ended</b> |                    | <b>Change</b> |
|-------|-----------------------------|--------------------|---------------|
|       | <b>30 Jun 2012</b>          | <b>30 Jun 2011</b> |               |
|       | <b>RMB'000</b>              | <b>RMB'000</b>     | <b>%</b>      |
|       | <b>(12 months)</b>          | <b>(6 months)</b>  |               |
| PRC   | <b>448,905</b>              | 172,206            | 160.7*        |
| Japan | <b>104,426</b>              | 44,132             | 136.6*        |
|       | <b>553,331</b>              | <b>216,338</b>     |               |

\* The Company changed its financial year end from 31 December to 30 June in August 2011. The current financial year covers a period of 12 months from 1 July 2011 to 30 June 2012 whereas the previous financial year covered a period of six months from 1 January 2011 to 30 June 2011. Therefore, the percentage of increase compared with the previous year is pure arithmetical calculations.

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to "Review of Performance of the Group" in paragraph 8 above.

**17. A breakdown of sales.**

| <b><u>The Group</u></b>                 | <b>FY2012</b>      | <b>FY2011</b>     | <b>Change</b> |
|---|--------------------|-------------------|---------------|
|   | <b>RMB'000</b>     | <b>RMB'00</b>     | <b>%</b>      |
|   | <b>(12 months)</b> | <b>(6 months)</b> |               |
| Sales reported for the first half year  | <b>251,949</b>     | -*                | n/m           |
| Profit after tax                        | <b>77,445</b>      | -*                | n/m           |
| Sales reported for the second half year | <b>301,382</b>     | 216,338           | 39.3          |
| Profit after tax                        | <b>62,031</b>      | 69,562            | (10.8)        |

n/m – not meaningful

\* The Company changed its financial year end from 31 December to 30 June in August 2011. The current financial year covers a period of 12 months from 1 July 2011 to 30 June 2012 whereas the previous financial year covered a period of six months from 1 January 2011 to 30 June 2011.

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

|          | <b>FY2012</b>  | <b>FY2011</b>  |
|----------|----------------|----------------|
|          | <b>RMB'000</b> | <b>RMB'000</b> |
| Ordinary | -              | -              |

- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(3) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

| <b>Name</b> | <b>Age</b> | <b>Family relationship with any director, CEO and/or substantial shareholder</b> | <b>Current position and duties, and the year the position was first held</b>  | <b>Details of changes in duties and position held, if any, during the year</b> |
|-------------|------------|--|---|--|
| Chen Qiufa  | 47         | Brother of Chen Qiu Hai, Executive Chairman and CEO                              | General Manager of Zhangping Fengwang Agricultural Products Co., Ltd 2008<br><br>Responsible for overall management of shiitake mushroom cultivation bases and heads the cultivation, administration and finance department at Zhangping Fengwang Agricultural Products Co., Ltd. | N.A.   |

**BY ORDER OF THE BOARD**

**Chen Qiu Hai**  
**Executive Chairman and CEO**

29 August 2012