



## Yamada Green Resources Limited

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

### Unaudited Financial Statements And Dividend Announcement for The First Quarter Ended 30 September 2012

#### 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 %
	30 Sep 2012 RMB'000	30 Sep 2011 RMB'000	
Revenue	33,017	33,753	(2.2)
Cost of sales	(23,322)	(22,120)	5.4
Gross profit	9,695	11,633	(16.7)
<i>Gross profit margin</i>	29.4%	34.5%	(5.1 ppt)
<i>Other items of income</i>			
Interest income	13	34	(61.8)
Other income	954	782	22.0
<i>Other items of expense</i>			
Selling and distribution expenses	(2,226)	(1,454)	53.1
Administrative expenses	(4,489)	(4,010)	11.9
Other expenses	(1,827)	(927)	97.1
Profit before income tax	2,120	6,058	(65.0)
Income tax expense	(1,118)	(1,849)	(39.5)
Profit for the financial period	1,002	4,209	(76.2)
<i>Other comprehensive income</i>			
Foreign currency translation differences	-	(520)	n/m
Total comprehensive income for the financial period	1,002	3,689	(72.8)
<i>Profit attributable to:</i>			
Owners of the parent	1,002	4,209	(76.2)
<i>Total comprehensive income attributable to:</i>			
Owners of the parent	1,002	3,689	(72.8)

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 %
	30 Sep 2012	30 Sep 2011	
	RMB'000	RMB'000	
Amortisation of land use rights	611	294	107.8
Amortisation of prepayment	1,852	952	94.5
Depreciation of property, plant and equipment	887	989	(10.3)
Exchange (gain)/loss, net	(843)	(759)	11.1
Interest income	(13)	(34)	(61.8)
Gain on disposal of plant and equipment	(56)	-	n/m
Government grants	(55)	-	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 Sep 2012	As at 30 Jun 2012	As at 30 Sep 2012	As at 30 Jun 2012
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-current assets</b>				
Property, plant and equipment	42,780	35,217	6	7
Biological assets <sup>(1)</sup>	188,922	188,922	-	-
Land use rights	96,471	80,225	-	-
Investments in subsidiaries	-	-	92,121	92,121
Prepayments	46,957	52,173	-	-
	<b>375,130</b>	<b>356,537</b>	<b>92,127</b>	<b>92,128</b>
<b>Current assets</b>				
Biological assets <sup>(2)</sup>	100	100	-	-
Inventories	13,564	15,136	-	-
Trade and other receivables	171,088	185,880	47,398	47,335
Cash and bank balances	7,342	14,280	1,869	2,869
	<b>192,094</b>	<b>215,396</b>	<b>49,267</b>	<b>50,204</b>
<b>Less:</b>				
<b>Current liabilities</b>				
Trade and other payables	14,823	19,675	502	1,094
Current income tax payable	1,525	2,384	-	-
	<b>16,348</b>	<b>22,059</b>	<b>502</b>	<b>1,094</b>
<b>Net current assets</b>	<b>175,746</b>	<b>193,337</b>	<b>48,765</b>	<b>49,110</b>
<b>Non-current liability</b>				
Deferred tax liability	(3,582)	(3,582)	-	-
<b>Net assets</b>	<b>547,294</b>	<b>546,292</b>	<b>140,892</b>	<b>141,238</b>
<b>Capital and reserves</b>				
Share capital	134,450	138,692	134,450	138,692
Share-based payment reserve	6,571	6,632	6,571	6,632
Statutory reserve	47,988	47,988	-	-
Foreign currency translation reserve	-	(1,143)	-	(2,876)
Accumulated profits/(losses)	358,285	354,123	(129)	(1,210)
<b>Total equity</b>	<b>547,294</b>	<b>546,292</b>	<b>140,892</b>	<b>141,238</b>

<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 Sep 2012		As at 30 Sep 2011	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

**Amount repayable after one year**

As at 30 Sep 2012		As at 30 Sep 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><u>The Group</u></b>	<b>3 Months Ended</b>	
	<b>30 Sep 2012</b> <b>RMB'000</b>	<b>30 Sep 2011</b> <b>RMB'000</b>
<b>Cash flow from operating activities</b>		
Profit before income tax	2,120	6,058
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	887	989
Amortisation of biological assets <sup>(1)</sup>	-	-
Amortisation of land use rights	611	294
Amortisation of prepayments	1,852	952
Gain on disposal of plant and equipment	(56)	-
Interest income	(13)	(34)
Operating profits before working capital changes	5,401	8,259
<i>Working capital changes:</i>		
Inventories	1,572	3,684
Trade and other receivables	1,299	(3,563)
Trade and other payables	(4,852)	3,698
Cash generated from operations	3,420	12,078
Interest received	13	34
Income taxes paid	(1,977)	(1,351)
Exchange difference on operating activities	-	-
<b>Net cash generated from operating activities</b>	<b>1,456</b>	<b>10,761</b>
<b>Cash flow used in investing activities</b>		
Proceeds from disposal plant and equipment	56	-
Purchase of property, plant and equipment	(8,450)	(405)
Prepayments	-	(7,000)
Currency translation difference on investing activities	-	7,997
<b>Net cash (used in)/generated from investing activities</b>	<b>(8,394)</b>	<b>592</b>
<b>Cash flow from financing activities</b>		
Currency translation difference on financing activities	-	(7,473)
<b>Net cash generated (used in)/generated from financing activities</b>	<b>-</b>	<b>(7,473)</b>
<b>Net (decrease)/increase in cash and bank balances</b>	<b>(6,938)</b>	<b>3,880</b>
<b>Cash and bank balances at beginning of the financial period</b>	<b>14,280</b>	<b>34,454</b>
Effect of foreign exchange rate changes in cash and bank balances	-	(1,043)
<b>Cash and bank balances at end of the financial period</b>	<b>7,342</b>	<b>37,291</b>

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	Foreign currency translation reserve RMB'000	Accumulated profits/(losses) 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>	<u>135,176</u>	<u>2,077</u>	<u>31,385</u>	<u>852</u>	<u>235,458</u>	<u>404,948</u>
<b>Balance as at 01.07.2012</b>	138,692	6,632	47,988	(1,143)	354,123	546,292
Effects on change of functional currency	(4,242)	(61)	-	1,143	3,160	-
Profit for the financial period	-	-	-	-	1,002	1,002
<i>Total comprehensive income for the financial period</i>	-	-	-	-	1,002	1,002
<b>Balance as at 30.09.2012</b>	<u>134,450</u>	<u>6,571</u>	<u>47,988</u>	<u>-</u>	<u>358,285</u>	<u>547,294</u>

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<u>The Company</u>	Share capital RMB'000	Share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated profits/(losses) RMB'000	Total equity 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>	<u>135,176</u>	<u>2,077</u>	<u>(4,498)</u>	<u>3,489</u>	<u>136,244</u>
<b>Balance as at 01.07.2012</b>	138,692	6,632	(2,876)	(1,210)	141,238
Effects on change of functional currency	(4,242)	(61)	2,876	1,427	-
Loss for the financial period	-	-	-	(346)	(346)
<i>Total comprehensive income for the financial period</i>	-	-	-	(346)	(346)
<b>Balance as at 30.09.2012</b>	<u>134,450</u>	<u>6,571</u>	<u>-</u>	<u>(129)</u>	<u>140,892</u>

- 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 September 2012 and 30 September 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 September 2012 and 30 June 2012 410,935,175

- 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 2012 except for the valuation of biological assets, fair value of share-based payment reserves 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.**

The presentation currency of the financial statements is Renminbi ("RMB") as the Group's operations are based in the People's Republic of China. At the beginning of the year from 1 July 2012, the Company has changed its functional currency from Singapore Dollars ("SGD") to RMB. There was a re-assessment of the primary economic factors as a result of a change in circumstances. The Company has adopted this change prospectively.



**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.**

<b><u>The Group</u></b>	<b>3 Months Ended</b>	
	<b>30 Sep 2012</b>	<b>30 Sep 2011</b>
Net profit after tax attributable to equity holders of the Company (RMB'000)	<b>1,002</b>	4,209
Number of ordinary shares ('000)	<b>410,935</b>	406,595
Earnings per share (RMB cents)		
<b>- basic</b>	<b>0.2</b>	1.0

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.

<b><u>The Group</u></b>	<b>3 Months Ended</b>	
	<b>30 Sep 2012</b>	<b>30 Sep 2011</b>
Net profit after tax attributable to equity holders of the Company (RMB'000)	<b>1,002</b>	4,209
Number of ordinary shares ('000)	<b>431,595</b>	406,595
Earnings per share (RMB cents)		
<b>- diluted</b>	<b>0.2</b>	1.0

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.

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

**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 Sep 2012</b>	<b>As at 30 Jun 2012</b>
Net asset value per share (RMB cents)	<b>133.2</b>	132.9
Number of ordinary shares ('000)	<b>410,935</b>	410,935
<b><u>The Company</u></b>	<b>As at 30 Sep 2012</b>	<b>As at 30 Jun 2012</b>
Net asset value per share (RMB cents)	<b>34.3</b>	34.4
Number of ordinary shares ('000)	<b>410,935</b>	410,935

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 First Quarter Ended 30 September 2012 ("1Q2013")**

#### **Revenue**

Our revenue remained relatively stable at approximately RMB33.0 million in 1Q2013 as compared with approximately RMB33.8 million in the three months ended 30 September 2011 ("1Q2012").

During the three months ended 30 September each year, our revenue is solely generated from sales of processed food products which we sold to both overseas and domestic PRC market. The demand for our processed foods products such as dried mushrooms, water-boiled/dried vegetables and konjac-based dietary fibre food products (mainly convenience food products) remained relatively constant in 1Q2013.

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

Our gross profit decreased by approximately RMB1.9 million or 16.7%, from RMB11.6 million in 1Q2012 to RMB9.7 million in 1Q2013 mainly due to declined gross profit margin.

The gross profit margin decreased from approximately 34.5% in 1Q2012 to approximately 29.4% in 1Q2013. The raw material costs of our processed food products, in particular, bamboo shoots, have been increased by approximately 23% as compared to the same period last year while the average unit selling price have been increased by approximately 12%. However, the drop in gross profit margin was mitigated by our other processed food products, such as dried shiitake mushroom, which the raw material costs have been decreased by approximately 7% as compared to the same period last year while the average unit selling price have been remained relatively stable.

#### **Other operating income**

Other operating income of approximately RMB1.0 million which was mainly exchange gain, subsidies from local government of Fuzhou, PRC and gains on disposal of plant and equipment.

#### **Operating expenses**

Selling and distribution expenses increased by approximately RMB0.7 million or 53.1%, from approximately RMB1.5 million in 1Q2012 to approximately RMB2.2 million in 1Q2013. This was mainly due to the increase in salaries of approximately RMB1.0 million as a result of higher headcounts of our sales and marketing staff. The increase was partly offset by the absence of expenditures incurred on consultancy fees in 1Q2012 to engage a brand consulting firm for branding, repositioning and marketing our konjac-based dietary fibre food products in PRC market.

Administrative expenses increased by approximately RMB0.5 million or 11.9%, from approximately RMB4.0 million in 1Q2012 to approximately RMB4.5 million in 1Q2013. This was mainly due to higher amortisation of land use rights due to addition of eucalyptus trees plantations acquired in December 2011 and industrial land acquired in July 2012.

Other operating expenses increased by approximately RMB0.9 million or 97.1%, from RMB0.9 million in 1Q2012 to RMB1.8 million in 1Q2013. This was mainly due to the increase in the maintenance cost of eucalyptus trees in our plantation forest as a result of additional 20,936 mu eucalyptus trees plantations acquired in December 2011.

#### **Income tax expenses**

Our income tax expense decreased by approximately RMB0.7 million or 39.5%, from approximately RMB1.8 million in 1Q2012 to approximately RMB1.1 million in 1Q2013. Our subsidiary, Wangcheng, is subject to the Enterprise Income Tax at the rate of 25.0% and our subsidiary, Nanping Yuanwang Foods Co., Ltd., is subject to the rate of 12.5% after concession of 50% reduction of Enterprise Income Tax rate of 25.0%.

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

The resulting net profit and comprehensive income for the quarter under review was approximately RMB1.0 million.

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

Our non-current assets increased by approximately RMB18.6 million or 5.2%, from RMB356.5 million as at 30 June 2012 to RMB375.1 million as at 30 September 2012. The increase was mainly due to the 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 amortisation and depreciation of non-current assets.

Our current assets decreased by RMB23.3 million or 10.8%, from RMB215.4 million as at 30 June 2012 to RMB192.1 million as at 30 September 2012. The decrease is mainly due to the reclassification of a deposit of approximately RMB16.9 million for a piece of industrial land situated in Fuzhou City, Fujian Province which is now classified as non-current assets. It was recorded as a deposit prior to completion of transfer of title deed in previous quarter. Our current assets were further reduced by a decrease in cash and bank balances of approximately RMB6.9 million.

Our current liabilities decreased by approximately RMB5.8 million or 26.2%, from approximately RMB22.1 million as at 30 June 2012 to approximately RMB16.3 million as at 30 September 2012. This was mainly due to the decrease in trade payables of approximately RMB2.4 million and decreased accruals for construction in progress of approximately RMB1.6 million.

Our capital and reserves increased by approximately RMB1.0 million or 0.2% from RMB546.3 million as at 30 June 2012 to RMB547.3 million as at 30 September 2012 due to the retention of net profit in 1Q2013.

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

In 1Q2013, net cash generated from operating activities amounted to approximately RMB1.5 million. This comprised cash generated from operating activities before changes in working capital of RMB5.4 million. Cash inflows were mainly due to decrease in inventories of approximately RMB1.6 million and decrease in trade and other receivables of approximately RMB1.3 million. Cash outflows were mainly due to decrease in trade and other payables approximately RMB4.9 million and income taxes payment of approximately RMB2.0 million.

Net cash of approximately RMB8.4 million used in investing activities was mainly for the purchase of property, plant and equipment and progressive payment of construction cost for our new factory and office building at our subsidiary, Wangcheng.

There were no financing activities in 1Q2013.

- 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.**

Despite modest economic growth in the PRC, we believe that increasing urbanization and greater consumers' awareness to healthy food will provide growth opportunities for the Group's convenience food products, such as konjac-based dietary fibre food products. Likewise, demand for our self-cultivated edible fungi will continue to remain healthy. Shiitake mushrooms, in particular, are widely recognized as one of the most popular edible mushrooms in the PRC, for its favorable taste and health benefits.

- 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/recommendeded, 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 ended 30 September 2012. The Group does not have a general mandate pursuant to Rule 920(1)(a)(ii).

**15. 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 first quarter ended 30 September 2012 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Chen Qiuhai**  
**Executive Chairman and CEO**

30 October 2012