



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 2014

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 2014 RMB'000	30 Sep 2013 RMB'000	
Revenue	55,955	40,123	39.5%
Cost of sales	(37,829)	(28,622)	32.2%
Gross profit	18,126	11,501	57.6%
Gross profit margin	32.4%	28.7%	
<i>Other items of income</i>			
Interest income	13	18	(27.8%)
Other income	199	28	610.7%
<i>Other items of expenses</i>			
Selling and distribution expenses	(792)	(796)	(0.5%)
Administrative expenses	(7,921)	(7,031)	12.7%
Other operating expenses	(1,819)	(1,896)	(4.1%)
Finance cost	(488)	(76)	542.1%
Profit before income tax	7,318	1,748	318.6%
Income tax expense	(2,511)	(1,103)	127.6%
Profit for the financial period	4,807	645	645.3%
<i>Other comprehensive income</i>			
<i>Items that may be reclassified subsequently to profit of loss:</i>			
Foreign currency translation differences	-	-	
Total comprehensive income for the financial period	4,807	645	645.3%
<i>Profit attributable to:</i>			
Owners of the parent	4,807	645	645.3%
<i>Total comprehensive income attributable to:</i>			
Owners of the parent	4,807	645	645.3%

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 2014	30 Sep 2013	
	RMB'000	RMB'000	%
Amortisation of land use rights	671	708	(5.2%)
Amortisation of prepayment	3,037	3,045	(0.3%)
Depreciation of property, plant and equipment	2,326	2,167	7.3%
Exchange loss, net	563	81	595.1%
Gain on disposal of property, plant and equipment	(2)	-	n/m
Government grants	(50)	-	n/m
Interest income	(13)	(18)	(27.8%)
Interest expenses on bank loan	488	76	542.1%

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 2014 RMB'000	As at 30 Jun 2014 RMB'000	As at 30 Sep 2014 RMB'000	As at 30 Jun 2014 RMB'000
Non-current assets				
Property, plant and equipment	111,117	104,368	9	10
Biological assets ⁽¹⁾	158,714	158,714	-	-
Land use rights	97,433	98,104	-	-
Investments in subsidiaries	-	-	117,266	117,266
Prepayments	135,713	138,745	-	-
Deferred tax assets	1,918	1,918	-	-
	504,895	501,849	117,275	117,276
Current assets				
Biological assets ⁽²⁾	23,750	23,750	-	-
Inventories	12,725	13,671	-	-
Trade receivables	26,473	16,580	-	-
Other receivables	251,164	250,011	88,547	83,100
Tax recoverables	831	831	-	-
Cash and bank balances	33,637	21,591	24,144	3,403
	348,580	326,434	112,691	86,503
Less:				
Current liabilities				
Bank loan	30,000	30,000	-	-
Trade and other payables	15,925	21,975	626	921
Current income tax payable	5,339	6,543	767	767
	51,264	58,518	1,393	1,688
Net current assets	297,316	267,916	111,298	84,815
Non-current liability				
Deferred tax liability	3,711	3,711	-	-
Net assets	798,500	766,054	228,573	202,091
Capital and reserves				
Share capital	218,110	190,471	218,110	190,471
Share-based payment reserve	4,995	4,995	4,995	4,995
Statutory reserve	59,306	59,306	-	-
Accumulated profits	516,089	511,282	5,468	6,625
Total equity	798,500	766,054	228,573	202,091

⁽¹⁾This represents eucalyptus trees in plantation forest and moso bamboo plantations.

⁽²⁾This represents synthetic logs and mycelia of edible fungi 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 September 2014		As at 30 September 2013	
Secured	Unsecured	Secured	Unsecured
RMB30,000,000	Nil	RMB20,000,000	Nil

Amount repayable after one year

As at 30 September 2014		As at 30 September 2013	
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 RMB40 million 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 owed 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, RMB30 million has been drawn down for general working capital purposes.

The repayment due date for the loan amount of RMB20,000,000 has been extended by the Bank from September 2014 to February 2015.

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.

The Group	3 Months Ended	
	30 Sep 2014	30 Sep 2013
	RMB'000	RMB'000
Cash flow from operating activities		
Profit before income tax	7,318	1,748
<i>Adjustments for:</i>		
Depreciation	2,326	2,167
Amortisation of land use rights	671	708
Amortisation of prepayments	3,037	3,045
Gain on disposal of property, plant and machinery	(2)	-
Interest income	(13)	(18)
Interest expenses	488	76
Operating profits before working capital changes	13,825	7,726
<i>Working capital changes:</i>		
Inventories	946	720
Trade and other receivables	(11,050)	(9,332)
Trade and other payables	(6,051)	(3,625)
Cash used in operations	(2,330)	(4,511)
Interest received	13	18
Income taxes paid	(3,715)	(1,928)
Net cash used in operating activities	(6,032)	(6,421)
Cash flow used in investing activities		
Proceeds from disposal of property, plant and equipment	14	-
Purchase of property, plant and equipment	(9,087)	(1,693)
Net cash used in investing activities	(9,073)	(1,693)
Cash flow from financing activities		
Issue of ordinary shares	27,639	-
Proceeds from bank loan	-	20,000
Interest paid	(488)	(76)
Net cash generated from financing activities	27,151	19,924
Net increase in cash and bank balances	12,046	11,810
Cash and bank balances at beginning of the financial period	21,591	21,108
Cash and bank balances at end of the financial period	33,637	32,918

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 →				
	Share capital RMB'000	Share-based payment reserve RMB'000	Statutory reserve RMB'000	Accumulated profits RMB'000	Total equity RMB'000
Balance as at 01.07.2014	190,471	4,995	59,306	511,282	766,054
<u>Contributions by and distributions to owners of the parent</u>					
Issue of ordinary shares	27,639	-	-	-	27,639
Total contributions by and distributions to owners	27,639	-	-	-	27,639
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	4,807	4,807
Balance as at 30.09.2014	218,110	4,995	59,306	516,089	798,500
Balance as at 01.07.2013	186,092	6,395	55,141	419,320	666,948
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	645	645
Balance as at 30.09.2013	186,092	6,395	55,141	419,965	667,593

<u>The Company</u>	Share capital	Share-based payment reserve	Statutory reserve	Accumulated profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 01.07.2014	190,471	4,995	-	6,625	202,091
<u>Contributions by and distributions to owners of the parent</u>					
Issue of ordinary shares	27,639	-	-	-	27,639
Total contributions by and distributions to owners	27,639	-	-	-	27,639
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	(1,157)	(1,157)
Balance as at 30.09.2014	218,110	4,995	-	5,468	228,573
Balance as at 01.07.2013	186,092	6,395	-	6,612	199,099
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	(606)	(606)
Balance as at 30.09.2013	186,092	6,395	-	6,006	198,493

- 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.**

The Company completed a placement on 18 August 2014, 35,000,000 new ordinary shares were allotted and issued on the same day.

These new shares have been listed and quoted on the Singapore Exchange Securities Trading Limited and rank pari passu in all respects with the existing shares of the Company. Pursuant to the above issue and allotment of the new ordinary shares, the number of issued and paid-up shares in the capital of the Company increased from 502,202,175 ordinary shares to 537,202,175 ordinary shares.

There were no outstanding convertibles or treasury shares held as at 30 September 2014 and 30 September 2013.

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

Total number of issued shares (excluding treasury shares)

As at 30 June 2014	502,202,175
Issue of ordinary shares	<u>35,000,000</u>
As at 30 September 2014	<u>537,202,175</u>

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

Not applicable.

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

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

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

Not applicable.

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

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

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

Not applicable.

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

<u>The Group</u>	3 Months Ended	
	30 Sep 2014	30 Sep 2013
Earnings per share (RMB cents)		
- <i>basic</i>	0.9	0.1
- <i>diluted</i>	0.9	0.1
Weighted average number of ordinary shares ('000) - <i>basic</i>	519,702	498,452
Weighted average number of ordinary shares ('000) - <i>diluted</i>	523,167	510,032

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

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

The Company approved the grant of 25,000,000 shares of the Company to selected eligible employees of the Group and Director of the Company on 29 December 2011, under the Yamada Performance Shares Plan which had been approved and adopted by the shareholders at our Extraordinary General Meeting on 29 April 2011. As at 30 September 2014, 13,420,000 ordinary shares of the above 25,000,000 ordinary shares were issued and vested, 8,115,000 ordinary shares of the above 25,000,000 ordinary shares were forfeited and 3,465,000 ordinary shares of the above 25,000,000 ordinary shares to be vested in December 2014.

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

<u>The Group</u>	As at 30 Sep 2014	As at 30 Jun 2014
Net asset value per share (RMB cents)	148.6	152.5
Number of ordinary shares ('000)	537,202	502,202
<u>The Company</u>	As at 30 Sep 2014	As at 30 Jun 2014
Net asset value per share (RMB cents)	42.5	40.2
Number of ordinary shares ('000)	537,202	502,202

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

STATEMENT OF COMPREHENSIVE INCOME

Review of performance for the first quarter ended 30 September 2014 ("1Q2015")

Revenue

Our revenue grew by approximately RMB15.8 million or 39.5% to approximately RMB55.9 million in 1Q2015, from approximately RMB40.1 million for the quarter ended 30 September 2013 ("1Q2014"). The revenue was derived from sales of processed food products and moso bamboo trees in 1Q2015.

Sales of our processed food products was approximately RMB50.1 million, increased by approximately RMB10.0 million or 25.0%, from RMB40.1 million in 1Q2014. This was mainly due to higher demand of our processed food products, particularly, the demand from Japanese market. The average selling prices of most of the processed food products, such as our water-boiled vegetables and processed mushrooms, also increased.

We recorded sales of approximately RMB5.8 million in our bamboo business in 1Q2015. Approximately 11,360 tonnes of moso bamboo trees were harvested and sold in September 2014. No bamboo trees were harvested during 1Q2014 as we only commenced harvesting of bamboo trees from 2Q2014 (i.e. October to December 2013).

Gross profit and gross profit margin

Our gross profit increased by approximately RMB6.6 million or 57.6% to RMB18.1 million from RMB11.5 million in 1Q2014.

The overall gross profit margin improved to 32.4% in 1Q2015 from 28.7% in 1Q2014. The gross profit margin of our moso bamboos was 34.3% while that of our processed food products increased from 28.7% in 1Q2014 to 32.2% in 1Q2015 due to changes in product mix.

Other operating income

Other operating income of approximately RMB0.2 million mainly comprised of interest income, government subsidy, rental income for letting out spare office floors at our subsidiaries and other miscellaneous income.

Operating expenses

Selling and distribution expenses were approximately RMB0.8 million in 1Q2015, remaining nearly unchanged from the same period last year. The expenses primarily consisted of salary of sales and marketing staff, freight charges, custom duties and payments for distributors of processed food products.

Administrative expenses rose by approximately RMB0.9 million or 12.7% to approximately RMB7.9 million in 1Q2015, from approximately RMB7.0 million in 1Q2014. It mainly arose from higher depreciation of property, plant and equipment, R&D expenditures and riverbank maintenance fees imposed by the PRC government. The increase in

depreciation was mainly caused by the construction of a new office building and two processing plants in Tie Ling Economic and Technological Development Zone that were completed and capitalised as property, plant and equipment. In addition, part of R&D expenses paid to Fujian Agricultural and Forestry University were reclassified from cost of synthetic logs to administrative expenses as a technical consultancy fee in 1Q2015.

Other operating expenses remained relatively constant at approximately RMB1.8 million in 1Q2015 compared to RMB1.9 million in 1Q2014. Other operating expenses mainly included maintenance costs of eucalyptus plantations and exchange losses.

Finance cost

Finance cost rose from approximately RMB0.1 million to RMB0.5 million in 1Q2015. Our bank borrowings from China Everbright Bank increased from RMB20.0 million in 1Q2014 to RMB30.0 million in 1Q2015. The loan was used for working capital purposes and construction of our R&D Centre.

Income tax expenses

Our income tax expense was approximately RMB2.5 million in 1Q2015 compared to approximately RMB1.1 million in 1Q2014. Our subsidiaries, Wangcheng and Yuanwang, are subject to the Enterprise Income Tax at the rate of 25%. Our cultivation business segment is exempted from the Enterprise Income Tax and the value-added tax.

Total comprehensive income for the period

Total comprehensive income for the period under review increased by approximately RMB4.2 million to approximately RMB4.8 million in 1Q2015, from approximately RMB0.6 million in 1Q2014. The increase was mainly due to higher sales and profitability during the current financial period.

STATEMENT OF FINANCIAL POSITION

Our non-current assets increased by approximately RMB3.1 million or 0.6% to RMB504.9 million as at 30 September 2014, from RMB501.8 million as at 30 June 2014. The increase was mainly due to additional construction in progress for processing plants in Tie Ling Economic and Technological Development Zone and our R&D Centre in Houyu Food Industry Zone in Fuzhou City, amounting to approximately RMB9.0 million. The increase was partly offset by amortisation and depreciation of non-current assets.

Our current assets increased by RMB22.2 million or 6.8% to RMB348.6 million as at 30 September 2014, from RMB326.4 million as at 30 June 2014. The increase was mainly attributable to a net increase in trade and other receivables of approximately RMB11.0 million which primarily comprised of an additional deposit paid for investment in Zhangzhou Meisei Foods Co., Ltd and an increase in trade receivables as a result of higher sales of our processed food products. The increase in other receivables was partly offset by reduced advances to our suppliers of machinery and equipment. In addition, our cash and bank balance increased by approximately RMB12.0 million or 55.8% to approximately RMB33.6 million as at 30 September 2014.

Our current liabilities decreased by approximately RMB7.2 million or 12.3% to approximately RMB51.3 million as at 30 September 2014, from approximately RMB58.5 million as at 30 June 2014. The decrease mainly arose from reduced advances from customers.

Our capital and reserves increased by approximately RMB32.5 million or 4.2%, from RMB766.0 million as at 30 June 2014 to RMB798.5 million as at 30 September 2014 as a result of retention of net profit and issue of new ordinary shares in 1Q2015.

STATEMENT OF CASH FLOWS

1Q2015

For the three months ended 30 September 2014, we recorded net cash used in operating activities of approximately RMB6.0 million. This comprised of cash generated from operating activities before changes in working capital of RMB13.8 million, working capital outflow of RMB16.1 million, and net cash outflow amounting to RMB3.7 million from interest income received and income tax paid.

The net working capital outflow mainly included an increase in trade receivables of approximately RMB9.9 million, an additional deposit of approximately RMB12.8 million for the investment in Zhangzhou Meisei Foods Co., Ltd., and a decrease in trade and other payables of approximately RMB6.0 million. The cash outflow was partially offset by a decrease in advances to suppliers of machinery and equipment and reduced inventories.

Net cash of approximately RMB9.1 million was mainly used in investing activities as progressive payments made for construction of new plants and R&D Centre.

Net cash flow generated from financing activities was RMB27.1 million in 1Q2015. It was mainly due to net proceeds from share placement in our holding company undertaken in 1Q2015. The amount was partly offset by interest expenses of approximately RMB0.5 million paid for bank borrowings.

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.

For the rest of FY2015, we will focus on the execution of our two-pronged growth strategy of enlarging our moso bamboo plantation and strengthening our processed food segment.

With an enlarged moso bamboo plantation of 100,845 mu, our production of moso bamboos and spring and winter bamboo shoots will be significantly expanded. This is in-line with our strategy of developing a second flagship product alongside shiitake mushrooms.

We will also continue to expand our sales network and product variety for our convenience food products to capture the strong growth momentum in our domestic and overseas markets.

With our recent termination of the lease of 1,792 mu of shiitake mushroom cultivation bases, the remaining 3,342 mu of cultivation bases will yield less shiitake mushrooms on a year-on-year basis. The fall in revenue contribution from shiitake mushrooms will be augmented by an increase in revenue contribution from moso bamboos.

*1 mu is equivalent to approximately 667 square metres

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/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 and financial period ended 30 September 2014. The Group does not have a general mandate pursuant to Rule 920(1)(a)(ii).

14. Update of Use of Placement Shares Proceeds.

The net proceeds from the issue of new ordinary shares amounting to approximately RMB27.6 million have not been utilised as at the date of this announcement.

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 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chen Qiuhai
Executive Chairman and CEO

30 October 2014