



## Yamada Green Resources Limited

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

### Unaudited Financial Statements And Dividend Announcement for The Third Quarter Ended 30 September 2010

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 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 %	9 Months Ended		Change %
	30 Sep 2010 RMB'000	30 Sep 2009 <sup>(1)</sup> RMB'000		30 Sep 2010 RMB'000	30 Sep 2009 <sup>(1)</sup> RMB'000	
Revenue	<b>32,748</b>	27,590	18.7	<b>198,588</b>	138,321	43.6
Cost of sales	<b>(23,073)</b>	(19,142)	20.5	<b>(114,983)</b>	(84,363)	36.3
Gross profit	<b>9,675</b>	8,448	14.5	<b>83,605</b>	53,958	54.9
Other operating income	<b>355</b>	271	31.0	<b>1,530</b>	485	215.5
Gain from changes in fair value of biological assets	-	-	n/m	<b>2,249</b>	-	n/m
Selling and distribution expenses	<b>(730)</b>	(280)	160.7	<b>(2,250)</b>	(1,154)	95.0
Administrative expenses	<b>(3,373)</b>	(1,942)	73.7	<b>(7,989)</b>	(6,075)	31.5
Other operating expenses	<b>(1,666)</b>	(27)	6070.4	<b>(4,833)</b>	(56)	8530.4
Profit before income tax	<b>4,261</b>	6,470	(34.1)	<b>72,312</b>	47,158	53.3
Income tax expense	<b>(2,120)</b>	(1,872)	13.2	<b>(9,981)</b>	(6,705)	48.9
Profit after income tax	<b>2,141</b>	4,598	(53.4)	<b>62,331</b>	40,453	54.1
Foreign currency translation reserve	<b>276</b>	-	n/m	<b>276</b>	-	n/m
Total comprehensive income for the financial period	<b>2,417</b>	4,598	(47.4)	<b>62,607</b>	40,453	54.8

n/m – not meaningful

<sup>(1)</sup> The Company was incorporated in Singapore on 8 February 2010 under the name “Yamada Green Resources Pte. Ltd.”. On 28 September 2010, the Company changed its name to “Yamada Green Resources Limited” in connection to its conversion to a public company limited by shares. The Company and its subsidiaries (the “Group”) was formed pursuant to a restructuring exercise (the “Restructuring Exercise”) undertaken prior to the

Company's listing on the Singapore Exchange Securities Trading Limited. Please refer to the Company's prospectus dated 29 September 2010 for further details on the Restructuring Exercise. For the purpose of this announcement, the comparative consolidated financial statements of the Group for the three and nine months ended 30 September 2009 represent combined financial statements of the Group prepared based on common control accounting.

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

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

	3 Months Ended		Change %	9 Months Ended		Change %
	30 Sep 2010 RMB'000	30 Sep 2009 RMB'000		30 Sep 2010 RMB'00	30 Sep 2009 RMB'000	
Government grants	355	267	33.0	1,522	471	223.1
Amortisation of land use rights	182	27	574.1	546	80	582.5
Depreciation of property, plant and equipment	462	486	(4.9)	2,388	3,110	(23.0)
Exchange (gain)/loss, net	88	(13)	n/m	98	29	237.9
Interest income	-*	(4)	n/m	(8)	(14)	(42.9)

n/m – not meaningful

\*Denotes amount less than RMB1,000

**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	
	30 Sep 2010 RMB'000	31 Dec 2009 <sup>(1)</sup> RMB'000	30 Sep 2010 RMB'000	Incorporation date RMB'000
<b>Non-current assets</b>				
Property, plant and equipment	16,830	18,513	-	-
Biological assets <sup>(2)</sup>	65,030	14,340	-	-
Land use rights	32,287	7,235	-	-
Long term investment	-	-	42,095	-
Prepaid lease	17,194	14,391	-	-
	<b>131,341</b>	<b>54,479</b>	<b>42,095</b>	<b>-</b>
<b>Current assets</b>				
Biological assets <sup>(3)</sup>	-	34,706	-	-
Inventories	11,956	6,582	-	-
Trade and other receivables	99,686	67,857	8,105	-
Cash and bank balances	16,634	5,049	10,987	-*
	<b>128,276</b>	<b>114,194</b>	<b>19,092</b>	<b>-*</b>
<b>Current liabilities</b>				
Trade and other payables	23,662	11,323	5,750	-
Income tax payable	2,497	3,108	-	-
	<b>26,159</b>	<b>14,431</b>	<b>5,750</b>	<b>-</b>
<b>Net current assets</b>	<b>102,117</b>	<b>99,763</b>	<b>13,342</b>	<b>-*</b>
<b>Non-current liability</b>				
Deferred tax liability	7,880	4,931	-	-
<b>Net assets</b>	<b>225,578</b>	<b>149,311</b>	<b>55,437</b>	<b>-*</b>
<b>Capital and reserves</b>				
Share capital	55,755	42,095	55,755	-*
Merger reserve	107,216	-	-	-
Statutory reserve	-	13,530	-	-
Foreign currency translation reserve	276	-	276	-
Retained earnings	62,331	93,686	(594)	-
	<b>225,578</b>	<b>149,311</b>	<b>55,437</b>	<b>-*</b>

<sup>(1)</sup>The comparative consolidated financial statements of the Group as at 31 December 2009 represent the combined financial statements of the Group.

<sup>(2)</sup>This represents eucalyptus trees in plantation forest.

<sup>(3)</sup>This represents shiitake mushroom synthetic logs held by the Group.

\*Denotes amount less than RMB1,000

**(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 2010		As at 31 Dec 2009	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

**Amount repayable after one year**

As at 30 Sep 2010		As at 31 Dec 2009	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

**Details of any collateral**

Not applicable.

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

<b>The Group</b>	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>30 Sep 2010 RMB'000</b>	<b>30 Sep 2009<sup>(1)</sup> RMB'000</b>	<b>30 Sep 2010 RMB'000</b>	<b>30 Sep 2009<sup>(1)</sup> RMB'000</b>
<b>Cash flow from operating activities</b>				
Profit before income tax	4,261	6,470	72,312	47,158
Adjustments for:				
Depreciation and amortisation	644	513	2,934	3,190
Utilisation of biological assets <sup>(3)</sup>	-	-	34,706	23,851
Gain arising from fair value changes in biological assets <sup>(2)</sup>	-	-	(2,249)	-
Foreign currency translation reserve	276	-	276	-
Interest income	-*	(4)	(8)	(14)
Operating profits before working capital changes	5,181	6,979	107,971	74,185
Inventories	2,596	2,046	(5,374)	(4,428)
Trade and other receivables	(182)	(4,793)	(31,829)	(54,593)
Trade and other payables	(9,702)	(887)	12,339	19,751
Cash (used in)/generated from operations	(2,107)	3,345	83,107	34,915
Interest received	-*	4	8	14
Income taxes paid	(2,106)	(1,628)	(7,643)	(4,827)
<b>Net cash (used in)/generated from operating activities</b>	<b>(4,213)</b>	<b>1,721</b>	<b>75,472</b>	<b>30,102</b>
<b>Cash flow used in investing activities</b>				
Purchase of property, plant and equipment	(196)	(1,402)	(705)	(1,457)
Purchase of biological assets <sup>(3)</sup>	-	-	(48,441)	(5,991)
Purchase of land use rights	-	-	(25,598)	(1,906)
Prepaid lease	-	-	(2,803)	(3,812)
<b>Net cash used in investing activities</b>	<b>(196)</b>	<b>(1,402)</b>	<b>(77,547)</b>	<b>(13,166)</b>
<b>Cash flow from financing activities</b>				
Issue of new shares	13,660	-	13,660	-
Payment of dividend	-	(2,139)	-	(21,239)
<b>Net cash generated from/(used in) financing activities</b>	<b>13,660</b>	<b>(2,139)</b>	<b>13,660</b>	<b>(21,239)</b>
<b>Net increase/(decrease) in cash and bank balances</b>	<b>9,251</b>	<b>(1,820)</b>	<b>11,585</b>	<b>(4,303)</b>
<b>Cash and bank balances at beginning of the financial period</b>	<b>7,383</b>	<b>3,580</b>	<b>5,049</b>	<b>6,063</b>
<b>Cash and bank balances at end of the financial period</b>	<b>16,634</b>	<b>1,760</b>	<b>16,634</b>	<b>1,760</b>

<sup>(1)</sup>The comparative consolidated statement of cash flows of the Group for the three and nine months ended 30 September 2009 represent the combined statement of cash flows of the Group.

<sup>(2)</sup>This represents eucalyptus trees in plantation forest.

<sup>(3)</sup>This represents shiitake mushroom synthetic logs held by the Group.

\*Denotes amount less than RMB1,000

**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.**

<b><u>The Group</u></b>	<b>Share capital</b>	<b>Merger reserve</b>	<b>Foreign currency translation reserve</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Balance at 1 Jan 2009</b>	42,095	-	-	5,226	41,713	89,034
Transfer to statutory reserve	-	-	-	8,304	(8,304)	-
Dividends paid	-	-	-	-	(21,398)	(21,398)
Total comprehensive income for the financial year	-	-	-	-	81,675	81,675
<b>Balance at 31 Dec 2009</b>	42,095	-	-	13,530	93,686	149,311
Adjustments arising from Group restructuring	(42,095)	-	-	(13,530)	(93,686)	(149,311)
Merger reserve	-	107,216	-	-	-	107,216
Issue of new shares	55,755	-	-	-	-	55,755
Total comprehensive income for the financial period	-	-	276	-	62,331	62,607
<b>Balance at 30 Sep 2010</b>	<b>55,755</b>	<b>107,216</b>	<b>276</b>	<b>-</b>	<b>62,331</b>	<b>225,578</b>

<b><u>The Company</u></b>	<b>Share capital</b>	<b>Foreign currency translation reserve</b>	<b>Retained earnings/ (Accumulated loss)</b>	<b>Total equity</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Balance at incorporation date</b>	-*	-	-	-*
Issue of new shares	55,755	-	-	55,755
Total comprehensive income/(loss) for the financial period	-	276	(594)	(318)
<b>Balance at 30 Sep 2010</b>	<b>55,755</b>	<b>276</b>	<b>(594)</b>	<b>55,437</b>

\*Denotes amount less than RMB1,000

- 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 was incorporated in Singapore on 8 February 2010 with an initial issued and paid up capital of S\$2.

A restructuring exercise (the "Restructuring Exercise") was subsequently undertaken in connection with the Initial Public Offering (the "IPO") (please refer to the Company's prospectus dated 29 September 2010 for further details on the Restructuring Exercise).

The Company issued 307,287,505 shares to Sanwang on 9 September 2010 in accordance with the Share Transfer Agreements dated 21 February 2010 entered into between the Company and Sanwang, pursuant to which the Company acquired the entire registered capital of each of Wangcheng and Yuanwang from Sanwang for a consideration of US\$4.03 million and US\$1.0 million, respectively. The above consideration was determined based on the registered and paid-up capital of each of Wangcheng and Yuanwang. The acquisition was approved by Minhou and Pucheng Foreign Trade and Economic Cooperation Bureau and the considerations were satisfied by the allotment and issuance of shares.

Following the completion of the above acquisitions, each of Wangcheng (and accordingly Fengwang) and Yuanwang became wholly-owned subsidiaries of the Company.

The Company issued 24,395,711 shares to Great Spot on 24 September 2010. Pursuant to an investment agreement dated 24 June 2010 and varied on 8 September 2010, entered into between the Company, Great Spot and Chen Qiu Hai, Great Spot extended a redeemable convertible loan to the Company for an aggregate principal amount of S\$2.739 million. Great Spot was entitled to convert the redeemable convertible loan into such number of fully paid new shares to be calculated based on (i) the enlarged post-Invitation share capital of the Company, (ii) 2.75 times of the fully diluted earnings per share, and (iii) the consolidated net total comprehensive income for the financial year of the Group for 31 December 2009 of RMB81.675 million.

Save for the above, there has been 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 2010.

- 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)	Number of shares
Balance as at 8 Feb 2010 (Date of incorporation)	2
Issue of new shares on 9 Sep 2010	307,287,505
Issue of new shares on 24 Sep 2010	24,395,711
Balance as at 30 Sep 2010	<u>331,683,218</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 are the same with the most recent audited combined financial statements for the financial year ended 31 December 2009.

**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.**

	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>30 Sep 2010</b>	30 Sep 2009	<b>30 Sep 2010</b>	30 Sep 2009
<b><u>The Group</u></b>				
Net profit after tax attributable to equity holders of the Company (RMB'000)	<b>2,141</b>	4,598	<b>62,331</b>	40,453
Number of ordinary shares ('000)	<b>331,683</b>	331,683	<b>331,683</b>	331,683
Earnings per share (RMB cents) -basic/fully diluted	<b>0.6</b>	1.4	<b>18.8</b>	12.2

The Company had no dilutive equity instruments as at 30 September 2010. Therefore, the fully diluted earnings per share for period ended 30 September 2010 and 30 September 2009 were the same as the basis earnings per shares for 30 September 2010 and 30 September 2009 respectively. The denominators used are the same as those detailed above for both basic and diluted earnings per share.

For comparative and illustration purposes, the earnings per share for the period ended 30 September 2010 and 30 September 2009 computed above is based on the Company's pre-Invitation share capital of 331,683,218 ordinary shares. The earnings per share would have been RMB7.3 cents and RMB211.3 cents respectively for the three and nine months ended 30 September 2010 if the actual weighted average number of ordinary shares of the Company has been used. There is no basic earnings per share for the three and nine months ended 30 September 2009 as the Company was incorporated subsequent to 31 December 2009.



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>30 Sep 2010</b>	<b>31 Dec 2009</b>
Net asset value per share (RMB cents)	<b>68.0</b>	45.0
Number of ordinary shares ('000)	<b>331,683</b>	331,683
<b><u>The Company</u></b>	<b>30 Sep 2010</b>	<b>Incorporation date</b>
Net asset value per share (RMB cents)	<b>16.7</b>	-
Number of ordinary shares ('000)	<b>331,683</b>	331,683

For comparative and illustration purposes, the net assets value per share as at 30 September 2010 and 31 December 2009 is computed based on the Company's pre-Invitation share capital of 331,683,218 ordinary shares.

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

## **STATEMENT OF COMPREHENSIVE INCOME**

### **Review of performance for the third quarter ended 30 September 2010 ("3Q2010")**

#### **Revenue**

Our revenue increased by approximately RMB5.1 million or 18.7%, from approximately RMB27.6 million in 3Q2009 to approximately RMB32.7 million in 3Q2010.

The increase was mainly due to increase in sales of dried shiitake mushroom of approximately RMB3.8 million mainly from our export sales to the Japan market. This increase is further contributed by that from convenience food products, in particular, the konjac instant noodles, which increased by approximately RMB1.4 million arising from our increased promotional efforts in PRC. The increase was partially offset by a decrease in revenue from dried/water boiled vegetables of approximately RMB0.1 million.

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

Our gross profit increased by approximately RMB1.3 million or 14.5%, from RMB8.4 million in 3Q2009 to RMB9.7 million in 3Q2010 which was in line with the increase in our revenue.

The gross profit margin remained relatively stable at approximately 29.5% (3Q2009: 30.6%).

### **Other operating income**

Other operating income increased by approximately RMB0.1 million or 31.0%, from RMB0.3 million in 3Q2009 to RMB0.4 million in 3Q2010. This was mainly due to the increase in government grants received in 3Q2010 as compared to 3Q2009.

### **Operating expenses**

Selling and distribution expenses increased by approximately RMB0.4 million or 160.7%, from approximately RMB0.3 million in 3Q2009 to approximately RMB0.7 million in 3Q2010. This was mainly due to increase in salaries attributable to the sales and marketing department, freight charges and transportation costs which were in line with the increase in sales.

Administrative expenses increased by approximately RMB1.5 million or 73.7%, from RMB1.9 million in 3Q2009 to RMB3.4 million in 3Q2010. This was mainly attributable to the increase in salaries and salary-related costs such as social insurance contributions.

Other operating expenses which comprised mainly maintenance cost of eucalyptus trees in our plantation forest incurred in 3Q2010 of approximately RMB1.6 million was absent in 3Q2009. We first acquired eucalyptus trees in plantation forest in September 2009.

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

The resulting comprehensive income for the quarter under review decreased by approximately RMB2.2 million or 47.4%, from approximately RMB4.6 million in 3Q2009 to approximately RMB2.4 million in 3Q2010.

### **Review of performance for the nine months ended 30 September 2010 (“9M2010”)**

#### **Revenue**

Our revenue increased by approximately RMB60.3 million or 43.6%, from approximately RMB138.3 million in 9M2009 to approximately RMB198.6 million in 9M2010.

The increase was mainly attributable to increased in sales of our self-cultivated shiitake mushroom of approximately RMB34.2 million, or 55.0% from RMB62.2 million in 9M2009 to RMB96.4 million in 9M2010. This increase was mainly due to the fact that (i) we operated an aggregate of approximately 2,213 mu of cultivation bases for self-cultivated shiitake mushrooms in 9M2010 as compared to an aggregate of approximately 1,660 mu in 9M2009, and (ii) the average unit selling price of fresh produce of our self-cultivated shiitake mushrooms increased by approximately RMB0.50 per kg or 8.3%, from RMB6.0 per kg in 9M2009 to RMB6.5 per kg in 9M2010 as a result of increase in direct material cost and direct labour cost.

The sales of processed food products increased by approximately RMB26.1 million or 34.3%, from RMB76.1 million in 9M2009 to RMB102.2 million in 9M2010. The increase in our revenue from processed food products was mainly due to increased export sales of dried shiitake mushrooms of approximately RMB11.9 million, increased export sales of water-boiled bamboo shoots products and other dried/water-boiled vegetable products of approximately RMB8.0 million, resulting from the improved sentiments of our Japanese customers towards PRC food products. In addition, the increase in our revenue from processed food products was also due to the increase in revenue from sales of konjac instant noodles under our convenience food products category and other processed foods products arising from rising demand in the PRC market. Revenue from sales of konjac instant noodles increased by approximately RMB4.7 million and increase in revenue from other processed foods products amounted to approximately RMB1.5 million.

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

Our gross profit increased by approximately RMB29.6 million or 54.9%, from RMB54.0 million in 9M2009 to RMB83.6 million in 9M2010 which was in line with the increase in revenue.

Our overall gross profit margin improved from 39.0% in 9M2009 to 42.1% in 9M2010. This was mainly due to the increase in revenue contributed from self-cultivated shiitake mushrooms, which generally commanded higher gross profit margin as compared to processed food products. Revenue contributed from self-cultivated shiitake mushrooms as a proportion of our total revenue increased from 44.9% in 9M2009 to 48.6% in 9M2010 as we operated approximately 2,213 mu of shiitake mushroom cultivation bases for 9M2010 as compared to approximately 1,660 mu for 9M2009.

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

The fair value of our eucalyptus trees is obtained through an independent expert valuer. Our gain from changes in fair value of biological assets was approximately RMB2.2 million in 9M2010. The valuation was done by Jones Lang LaSalle Sallmanns Limited.

### **Other operating income**

Other operating income increased by approximately RMB1.0 million or 215.5%, from RMB0.5 million in 9M2009 to RMB1.5 million in 9M2010. This was mainly due to the increase in government grants and subsidies such as that from award received by Wangcheng as Fujian Provincial Key Dragon Head Enterprise in 9M2010, which was not present in 9M2009.

### **Operating expenses**

Selling and distribution expenses increased by approximately RMB1.1 million or 95.0%, from approximately RMB1.1 million in 9M2009 to approximately RMB2.2 million in 9M2010. This was mainly due to increase in salaries of the sales and marketing department, freight charges and transportation costs which were in line with the increase in sales.

Administrative expenses increased by approximately RMB1.9 million or 31.5%, from RMB6.1 million in 9M2009 to RMB8.0 million in 9M2010. This was mainly attributable to the increase in salaries and salary-related costs such as social insurance contributions.

Other operating expenses increased by approximately RMB4.7 million or 8530.4%, from RMB0.1 million in 9M2009 to RMB4.8 million in 9M2010 as a result of maintenance cost of eucalyptus trees in our plantation forest of approximately RMB4.7 million incurred in 9M2010, which was absent in 9M2009. We first acquired eucalyptus trees plantations in September 2009.

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

The resulting comprehensive income for the nine months under review increased by approximately RMB22.2 million or 54.8%, from approximately RMB40.4 million in 9M2009 to approximately RMB62.6 million in 9M2010.

### **STATEMENT OF FINANCIAL POSITION**

Our non-current assets increased by approximately RMB76.8 million or 140.9%, from RMB54.5 million as at 31 December 2009 to RMB131.3 million as at 30 September 2010. The increase was mainly due to (i) an increase in value of biological assets of approximately RMB50.7 million as a result of our acquisition of additional eucalyptus trees in our plantation forest approximating 15,700 mu and gains arising from fair value changes, (ii) an increase in land use rights of RMB25.0 million as a result of acquisition of the above-

mentioned additional eucalyptus trees, and (iii) an increase in prepaid lease of approximately RMB2.8 million, arising from the advance payment made to Villagers' Committees for the rental of additional shiitake mushroom cultivation bases. The increase was partially offset by a decrease in the carrying value of our property, plant and equipment of approximately RMB1.7 million mainly due to depreciation charges for 9M2010.

Our current assets increased by RMB14.1 million or 12.3%, from RMB114.2 million as at 31 December 2009 to RMB128.3 million as at 30 September 2010. The increase was mainly due to (i) an increase in our inventories by approximately RMB5.4 million which was mainly due to stock up of dried shiitake mushroom in anticipation of a higher demand during the year end festive season, (ii) an increase in our trade and other receivables by approximately RMB31.8 million, mainly due to additional advances to suppliers for material costs of synthetic logs and prepayment of our initial public offering expenses, and (iii) an increase in cash and bank balances of approximately RMB11.6 million. This increase was partially offset by the decrease in our biological assets of approximately RMB34.7 million due to utilisation of synthetic logs towards the end of harvesting season of 2010 for the cultivation of our shiitake mushrooms.

Our non-current liability made up of deferred tax liability represented withholding tax that would be payable on certain undistributed earnings of our PRC subsidiaries. Deferred tax liability stood at RMB4.9 million and RMB7.9 million as at 31 December 2009 and 30 September 2010 respectively.

Our current liabilities increased by approximately RMB11.9 million or 81.9%, from approximately RMB14.3 million as at 31 December 2009 to approximately RMB26.2 million as at 30 September 2010. The increase was mainly attributable to the increase in trade payables of approximately RMB2.4 million and increase in other payables which comprise of social insurance, value added tax, acquisition of land use rights and eucalyptus trees in plantation forest.

Our capital and reserves increased by approximately RMB76.3 million or 51.1% from RMB149.3 million as at 31 December 2009 to RMB225.6 million as at 30 September 2010 mainly due to the retention of net profit in 9M2010 and the issuance of new shares.

## **STATEMENT OF CASH FLOWS**

### **3Q2010**

We continued to maintain a strong financial position with approximately RMB16.6 million in cash and bank balances as at the end of the third quarter.

In 3Q2010, net cash used in operating activities amounted to approximately RMB4.2 million compared with net cash generated from operating activities amounting to approximately RMB1.7 million in the corresponding period in FY2009. We generated net cash of approximately RMB5.2 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB7.3 million. This was mainly due to repayment of advances from a related party of approximately RMB9.7 million. The cash outflow was partially offset by cash inflow from a decrease in inventories of approximately RMB2.6 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB2.1 million.

Net cash of approximately RMB0.2 million was used in investing activities for the purchase of property, plant and equipment.

In addition, we have raised approximately RMB13.7 million from financing activities by issuing new shares pursuant to the conversion of redeemable convertible shares in 3Q2010.

## 9M2010

We continued to maintain a strong financial position as well as a positive working capital position in the nine months of the current financial year.

In 9M2010, net cash generated from operating activities amounted to approximately RMB75.5 million. We generated net cash of approximately RMB108.0 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB24.9 million. This was mainly due to an increase in inventories of approximately RMB5.4 million and an increase in trade and other receivables of approximately RMB31.8 million. The decrease was partially offset by a cash inflow due to an increase in trade and other payables of approximately RMB12.3 million, in line with the increase in our sales. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB7.6 million.

We used net cash of approximately RMB77.5 million in investing activities, mainly for the purchase of biological assets, namely the eucalyptus trees in the plantation forest, of approximately RMB48.4 million, purchase of land use rights of approximately RMB25.6 million as a result of acquisition of additional three eucalyptus plantations, deposits paid for operating lease for additional shiitake mushroom cultivation bases of approximately RMB2.8 million and purchase of property, plant and equipment of approximately RMB0.7 million.

In addition, we have raised approximately RMB13.7 million from financing activities by issuing new shares pursuant to the conversion of redeemable convertible shares in 9M2010.

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

There is no variance from the previous prospect statement as discussed under Section 8.1 on "Prospects" of the IPO prospectus.

**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.**

We were successfully listed on the SGX Mainboard on 8 October 2010, issuing 74,911,957 new shares and raising net proceeds of approximately S\$13.8million. The proceeds from the IPO will be used primarily for the expansion of our shiitake mushroom cultivation bases and eucalyptus plantations, as well as establishing our own distribution and marketing network and strengthening our processing capabilities of our konjac-based processed food products.

We have made plans to expand our cultivation bases and our eucalyptus tree plantations. We plan to use synthetic logs made from eucalyptus trees for cultivation of fresh shiitake mushroom, by expanding our eucalyptus tree plantations which allows us to control the upstream supply. In addition, we will increase the production capacity for our konjac-based products. Aiming to ride on the healthy diet trend, we expect the demand for konjac-based products to steadily increase, allowing our own brand of konjac instant noodles to bring in more revenue.

We will continue to improve revenue contribution from self-cultivated shiitake mushroom and from the PRC domestic market.

Barring unforeseen circumstances, we believe that our Group will continue to be profitable for the remaining year of FY2010.

**11. Dividend****(a) Current Financial Period Reported On**

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

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

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

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended for the nine months ended 30 September 2010.

**13. Interested person transactions**

<b>Interested /Related Person</b>	<b>Relationship with our Group</b>	<b>Nature of Transaction</b>
<b>Chen Liyan (陈丽燕)</b> Engaged in the wholesale and retail of agricultural and processed food products	Sister of our Executive Chairman and CEO, Chen Qiu Hai and our Executive Officer, Chen Qiufa	Purchase of self-cultivated shiitake mushrooms and processed food products from our Group
<b>Deng Wenfeng (邓文锋)</b> Engaged in the wholesale and retail of agricultural and processed food products	Husband of Chen Liyan (陈丽燕), who is the sister of our Executive Chairman and CEO, Chen Qiu Hai and our Executive Officer, Chen Qiufa	Purchase of self-cultivated shiitake mushrooms and processed food products from our Group
<b>Luo Qiaohua (罗巧花)</b> Engaged in the wholesale and retail of agricultural and processed food products	Wife of our Executive Officer, Chen Qiufa	Purchase of self-cultivated shiitake mushrooms and processed food products from our Group
<b>Du Deming (杜德明)</b> Engaged in the processing and sales of edible fungi and processed food products	Cousin of our Executive Chairman and CEO, Chen Qiu Hai and our Executive Officer, Chen Qiufa	Purchase of self-cultivated shiitake mushrooms from our Group

Name of Interested Person	Aggregate value of all interested person transactions during the financial year/period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year/period under review under shareholders' mandate pursuant to Rule 920
	(RMB'000)	(RMB'000)
Chen Liyan (陈丽燕)	Nil	8,710
Deng Wenfeng (邓文峰)	Nil	12,627
Luo Qiaohua (罗巧花)	Nil	12,952
Du Deming (杜德明) <sup>(1)</sup>	Nil	9,338

<sup>(1)</sup>Du Deming purchased self-cultivated shiitake mushrooms from our Group in his personal capacity and/or via Zhangzhou Mingcheng Foods Co., Ltd. (漳州明成食品有限公司), a company incorporated in PRC and controlled by him.

#### 14. **CONFIRMATION BY THE BOARD 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 third quarter ended 30 September 2010 to be false or misleading in any material aspect.

#### **BY ORDER OF THE BOARD**

**Chen Qiuhai**  
Executive Chairman and CEO

11 November 2010