



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 Financial Year Ended 31 December 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 %	Financial Year Ended		Change %
	31 Dec 2010 RMB'000	31 Dec 2009 ⁽¹⁾ RMB'000		31 Dec 2010 RMB'000	31 Dec 2009 ⁽¹⁾ RMB'000	
Revenue	115,368	97,919	17.8	313,956	236,240	32.9
Cost of sales	(67,758)	(57,267)	18.3	(182,741)	(141,630)	29.0
Gross profit	47,610	40,652	17.1	131,215	94,610	38.7
Other operating income	3,888	13	n/m	5,418	498	n/m
Gain from changes in fair value of biological assets	14,589	6,443	126.4	16,838	6,443	161.3
Selling and distribution expenses	(832)	(536)	55.2	(3,082)	(1,690)	82.4
Administrative expenses	(17,895)	(1,854)	n/m	(25,884)	(7,929)	226.4
Other operating expenses	(1,656)	(102)	n/m	(6,489)	(158)	n/m
Profit before income tax	45,704	44,616	2.4	118,016	91,774	28.6
Income tax expense	(4,695)	(3,394)	38.3	(14,676)	(10,099)	45.3
Profit after income tax	41,009	41,222	(0.5)	103,340	81,675	26.5
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation	(1,011)	-	n/m	(735)	-	n/m
Total comprehensive income for the financial period	39,998	41,222	(3.0)	102,605	81,675	25.6

n/m – not meaningful

(1) 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 months ended 31 December 2009 and financial year ended 31 December 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 %	Financial Year Ended		Change %
	31 Dec 2010 RMB’000	31 Dec 2009 RMB’000		31 Dec 2010 RMB’000	31 Dec 2009 RMB’000	
Amortisation of land use rights	312	94	231.9	858	174	393.1
Amortisation of biological assets	29,419	28,397	3.6	64,125	52,248	22.7
Depreciation of property, plant and equipment	872	95	n/m	3,260	3,205	1.7
Exchange loss, net	52	71	(26.8)	150	100	50.0
Interest income	(19)	(2)	n/m	(27)	(16)	68.8
Gain from changes in fair value of biological assets	14,589	6,443	126.4	16,838	6,443	161.3
Gain on compensation from expropriated land	3,389	-	n/m	3,389	-	n/m
(Gain)/loss on disposal of property, plant and equipment	(474)	24	n/m	(474)	24	n/m
Government grants	-	-	n/m	1,522	460	230.9
Share-based payment expenses	2,077	-	n/m	2,077	-	n/m

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	
	31 Dec 2010 RMB'000	31 Dec 2009 ⁽¹⁾ RMB'000	31 Dec 2010 RMB'000	Incorporation date RMB'000
Non-current assets				
Property, plant and equipment	18,946	18,513	-	-
Biological assets ⁽²⁾	117,930	14,340	-	-
Land use rights	44,998	7,235	-	-
Long term investment	-	-	72,156	-
Prepayment	19,119	14,391	-	-
	200,993	54,479	72,156	-
Current assets				
Biological assets ⁽³⁾	54,635	34,706	-	-
Inventories	13,314	6,582	-	-
Trade and other receivables	35,288	67,857	44,498	-
Cash and bank balances	80,020	5,049	45,830	-*
	183,257	114,194	90,328	-*
Current liabilities				
Trade and other payables	26,010	11,323	1,575	-
Income tax payable	2,747	3,108	-	-
	28,757	14,431	1,575	-
Net current assets	154,500	99,763	88,753	-*
Non-current liability				
Deferred tax liability	8,419	4,931	-	-
Net assets	347,074	149,311	160,909	-*
Capital and reserves				
Share capital	135,176	42,095	135,176	-*
Share-based payment reserve	2,077	-	2,077	-
Statutory reserve	24,045	13,530	-	-
Foreign currency translation reserve	(735)	-	380	-
Retained earnings	186,511	93,686	23,276	-
	347,074	149,311	160,909	-*

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

⁽²⁾This represents eucalyptus trees in plantation forest.

⁽³⁾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 31 Dec 2010		As at 31 Dec 2009	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 31 Dec 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.

The Group	3 Months Ended		Financial Year Ended	
	31 Dec 2010 RMB'000	31 Dec 2009⁽¹⁾ RMB'000	31 Dec 2010 RMB'000	31 Dec 2009⁽¹⁾ RMB'000
Cash flow from operating activities				
Profit before income tax	45,704	44,616	118,016	91,774
Adjustments for:				
Depreciation and amortisation	1,184	189	4,118	3,379
Amortisation of biological assets ⁽²⁾	29,419	28,397	64,125	52,248
(Gain)/loss on disposal of property, plant and equipment	(474)	24	(474)	24
Gain on compensation for expropriated land	(3,389)	-	(3,389)	-
Gain arising from fair value changes in biological assets ⁽³⁾	(14,589)	(6,443)	(16,838)	(6,443)
Share-bases payment expenses	2,077	-	2,077	-
Interest income	(19)	(2)	(27)	(16)
Operating profits before working capital changes	59,913	66,781	167,608	140,966
Purchase of biological assets ⁽²⁾	(84,054)	(63,102)	(84,054)	(63,102)
Inventories	(1,358)	4,439	(6,732)	11
Trade and other receivables	64,684	17,923	32,855	(36,670)
Trade and other payables	348	(17,888)	12,687	1,863
Cash generated from operations	39,533	8,153	122,364	43,068
Interest received	19	2	27	16
Income taxes paid	(2,011)	(1,655)	(9,654)	(6,482)
Exchange difference on operating activities	(938)	4	(938)	(14)
Net cash generated from operating activities	36,603	6,504	111,799	36,588
Cash flow used in investing activities				
Proceeds from disposal of property, plant and equipment	834	7	834	7
Purchase of property, plant and equipment	(3,348)	(35)	(4,053)	(1,492)
Purchase of biological assets ⁽³⁾	(14,148)	(1,906)	(86,752)	(7,897)
Purchase of land use rights	(38,311)	(1,112)	(39,746)	(3,018)
Compensation received for expropriated land	4,514	-	4,514	-
Prepayment	(2,165)	-	(4,968)	(3,812)
Exchange difference on investing activities	(88)	-	(88)	-
Net cash used in investing activities	(52,536)	(3,046)	(130,083)	(16,212)

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<u>The Group</u>	3 Months Ended		Financial Year Ended	
	31 Dec 2010 RMB'000	31 Dec 2009⁽¹⁾ RMB'000	31 Dec 2010 RMB'000	31 Dec 2009⁽¹⁾ RMB'000
Cash flow from financing activities				
Issue of new shares	79,420	-	93,080	-
Payment of dividend	-	(159)	-	(21,398)
Exchange difference on financing activities	(342)	-	(342)	-
Net cash generated from/(used in) financing activities	79,078	(159)	92,738	(21,398)
Net increase/(decrease) in cash and bank balances	63,145	3,299	74,454	(1,022)
Cash and bank balances at beginning of the financial period	16,634	1,760	5,049	6,063
Effect of foreign exchange rate changes in cash and bank balances	241	(10)	517	8
Cash and bank balances at end of the financial period	80,020	5,049	80,020	5,049

⁽¹⁾The comparative consolidated statement of cash flows of the Group for the three months ended 31 December 2009 and financial year ended 31 December 2009 represent the combined statement of cash flows of the Group.

⁽²⁾This represents shiitake mushroom synthetic logs held by the Group.

⁽³⁾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>	Share capital	Share-based payment reserve	Foreign currency translation reserve	Statutory reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 Jan 2009	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
Balance at 31 Dec 2009	42,095	-	-	13,530	93,686	149,311
Adjustments arising from Group restructuring	(42,095)	-	-	-	-	(42,095)
Issue of new shares	135,176	-	-	-	-	135,176
Share-based payment reserve	-	2,077	-	-	-	2,077
Transfer to statutory Reserve	-	-	-	10,515	(10,515)	-
Total comprehensive income for the financial period	-	-	(735)	-	103,340	102,605
Balance at 31 Dec 2010	<u>135,176</u>	<u>2,077</u>	<u>(735)</u>	<u>24,045</u>	<u>186,511</u>	<u>347,074</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 profit RMB'000	Total equity RMB'000
Balance at incorporation date	-*	-	-	-	-*
Issue of new shares	135,176	-	-	-	135,176
Share-based payment reserve	-	2,077	-	-	2,077
Total comprehensive income for the financial period	-	-	380	23,276	23,656
Balance at 31 Dec 2010	<u>135,176</u>	<u>2,077</u>	<u>380</u>	<u>23,276</u>	<u>160,909</u>

*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.

The Company issued 74,911,957 shares pursuant to the IPO on 8 October 2010.

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 31 December 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
Issue of new shares on 8 Oct 2010	74,911,957
Balance as at 31 Dec 2010	<u>406,595,175</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 Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited combined financial statements for the financial year ended 31 December 2009. In addition, the Group also adopted various revisions to the FRS, which became effective during that period. The said adoption has no significant impact to the financial statements of the Group.

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

Not applicable.

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

<u>The Group</u>	<u>3 Months Ended</u>		<u>Financial Year Ended</u>	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Net profit after tax attributable to equity holders of the Company (RMB'000)	41,009	41,222	103,340	81,675
Number of ordinary shares ('000)	120,037	331,683	120,037	331,683
Earnings per share (RMB cents) -basic/fully diluted	34.2	12.4	86.1	24.6

The Company had no dilutive equity instruments as at 31 December 2010. Therefore, the fully diluted earnings per share for period ended 31 December 2010 and 31 December 2009 were the same as the basis earnings per shares 31 December 2010 and 31 December 2009 respectively. The denominators used are the same as those detailed above for both basic and diluted earnings per share.

Basic earnings per share for the period ended 31 December 2010 is computed based on the weighted average number of shares in issue of 120,036,899 ordinary shares during the financial period. The weighted average number of ordinary shares represents the number of ordinary shares at the beginning of the financial year, adjusted for new ordinary shares issued during the financial period, multiplied by a time-weighted factor.

For comparative and illustration purposes, the earnings per share for the period ended 31 December 2009 computed above is based on the Company's pre-Invitation share capital of 331,683,218 ordinary shares. There is no basic earnings per share for the three months ended 31 December 2009 and financial year ended 31 December 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.

<u>The Group</u>	31 Dec 2010	31 Dec 2009
Net asset value per share (RMB cents)	85.4	45.0
Number of ordinary shares ('000)	406,595	331,683
<u>The Company</u>	31 Dec 2010	Incorporation date
Net asset value per share (RMB cents)	39.6	-
Number of ordinary shares ('000)	406,595	331,683

For comparative and illustration purposes, the net assets value per share as at 31 December 2010 is computed based on the Company's share capital of 406,595,175 ordinary shares and the net assets value per share as at 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 fourth quarter ended 31 December 2010 ("4Q2010")

Revenue

Our revenue increased by approximately RMB17.5 million or 17.8%, from approximately RMB97.9 million in 4Q2009 to approximately RMB115.4 million in 4Q2010.

The increase was mainly due to increase in sales of our self-cultivated shiitake mushroom of approximately RMB12.6 million in PRC market. This increase in local sales is further contributed by that from convenience food products, in particular, the konjac instant noodles, which increased by approximately RMB0.9 million arising from our increased promotional efforts in PRC, and approximately RMB0.9 million increase in revenue from dried shiitake mushroom in PRC market which was due mainly to the increase in average unit selling price in FY2010.

Our export sales to Japan market also recorded an increase of approximate RMB3.2 million as a result of strong demand in water-boiled bamboo shoot products and approximately RMB1.4 million from sales of dried shiitake mushroom. The increase in export sales was offset by a decrease in sales of other water-boiled vegetables of approximately RMB1.5 million.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB6.9 million or 17.1%, from RMB40.7 million in 4Q2009 to RMB47.6 million in 4Q2010 which was in line with the increase in our revenue.

The gross profit margin remained relatively stable at approximately 41.3% (4Q2009: 41.5%).

Other operating income

Other operating income increased by approximately RMB3.9 million mainly due to gain arising from the compensation received from Fuzhou government by our wholly-owned subsidiary, Wangcheng, for the expropriation of part of the industrial land located at Houyu Village, Jingxi Town, Fuzhou City, Fujian Province, PRC, which measures 20.75 mu (approximately 13,833.4 square metre).

Operating expenses

Selling and distribution expenses increased by approximately RMB0.3 million or 60.0%, from approximately RMB0.5 million in 4Q2009 to approximately RMB0.8 million in 4Q2010. This was mainly due to a special bonus payment of approximately RMB0.3 million in November 2010 to reward sales and marketing staff for their contributions to our successful listing on SGX-ST.

Administrative expenses increased by approximately RMB16.1 million, from RMB1.8 million in 4Q2009 to RMB17.9 million in 4Q2010. This was mainly attributable to listing expenses

and related expenses such as staff salary and share-based payment, professional fees and traveling expenses of approximately RMB12.5 million in connection with our IPO. The increase is also due to a special bonus payment of approximately RMB1.5 million in November 2010 to reward the administrative staffs for their contributions to our successful listing on SGX-ST and the increase in salaries and salary-related costs such as incentive bonus for executive director.

Other operating expenses which comprised mainly maintenance cost of eucalyptus trees in our plantation forest incurred in 4Q2010 of approximately RMB1.6 million was absent in 4Q2009. 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 RMB1.2 million or 3.0%, from approximately RMB41.2 million in 4Q2009 to approximately RMB40.0 million in 4Q2010.

Review of performance for the financial year ended 31 December 2010 (“FY2010”)

Revenue

Our revenue increased by approximately RMB77.8 million or 32.9%, from approximately RMB236.2 million in FY2009 to approximately RMB314.0 million in FY2010.

The increase was mainly attributable to increased in sales of our self-cultivated shiitake mushroom of approximately RMB46.8 million, or 37.3% from RMB125.5 million in FY2009 to RMB172.3 million in FY2010. 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 during January 2010 to April 2010 and approximately 2,614 mu during October 2010 to December 2010 as compared to an aggregate of approximately 1,660 mu of cultivation bases for self-cultivated shiitake mushrooms during January 2009 to April 2009 and approximately 2,213 mu during late September 2009 to December 2009, and (ii) the average unit selling price of fresh produce of our self-cultivated shiitake mushrooms increased by approximately RMB0.80 per kg or 13.8%, from approximately RMB5.8 per kg in FY2009 to approximately RMB6.6 per kg in FY2010 as a result of increase in agricultural goods prices.

The sales of processed food products increased by approximately RMB30.9 million or 27.9%, from RMB110.8 million in FY2009 to RMB141.7 million in FY2010. The increase in our revenue from processed food products was mainly due to increased export sales of dried shiitake mushrooms of approximately RMB13.3 million, increased export sales of water-boiled bamboo shoot products and other dried/water-boiled vegetable products of approximately RMB9.7 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 sales of konjac instant noodles by approximately RMB5.6 million arising from increased demand in the PRC market and our expansion of production line in late 2010. The increase in revenue from local sales of dried shiitake mushrooms amounted to approximately RMB2.3 million was due mainly to the increase in average unit selling price in FY2010.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB36.6 million or 38.7%, from RMB94.6 million in FY2009 to RMB131.2 million in FY2010 which was in line with the increase in revenue.

Our overall gross profit margin improved from 40.0% in FY2009 to 41.8% in FY2010. 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 53.1% in FY2009 to 54.9% in FY2010.

The gross profit margin of self-cultivated shiitake mushrooms improved from approximately 46.6% in FY2009 to approximately 51.8% in FY2010 mainly due to increased average unit selling price as a result of increase in agricultural goods prices.

The gross profit margin of processed food products decreased from approximately 32.6% in FY2009 to approximately 29.7% in FY2010 mainly due to the rising raw material cost.

Gain from changes in fair value of biological assets

The fair value of our eucalyptus trees is obtained through an independent expert valuer, Jones Lang LaSalle Sallmanns Limited. Our gain from changes in fair value of biological assets increased by approximately RMB10.4 million or 162.5%, from approximately RMB6.4 million in FY2009 to approximately RMB16.8 million in FY2010. We currently own 30,437 mu of eucalyptus trees plantation (FY2009: 4,312 mu).

A copy of the valuation report is available for inspection at our registered office during normal business hours for 3 months from the date of the announcement.

Other operating income

Other operating income increased by approximately RMB4.9 million, from approximately RMB0.5 million in FY2009 to approximately RMB5.4 million in FY2010. This was mainly due to gain arising from the compensation received from Fuzhou government by our wholly-owned subsidiary, Wangcheng, for the expropriation of part of the industrial land located at Houyu Village, Jingxi Town, Fuzhou City, Fujian Province, PRC, which measures 20.75 mu (approximately 13,833.4 square metre) and the increase in government grants and subsidies such as that from award received by Wangcheng as Fujian Provincial Key Dragon Head Enterprise in FY2010, which was not present in FY2009.

Operating expenses

Selling and distribution expenses increased by approximately RMB1.4 million or 82.4%, from approximately RMB1.7 million in FY2009 to approximately RMB3.1 million in FY2010. This was mainly due to a special bonus payment of approximately RMB0.3 million in November 2010 to reward sales and marketing staff for their contributions to our successful listing on SGX-ST, increase in salaries and bonuses attributable to the sales and marketing department, and increase in freight charges and transportation costs of approximately RMB0.9 million which were in line with the increase in sales.

Administrative expenses increased by approximately RMB18.0 million or 226.4%, from RMB7.9 million in FY2009 to RMB25.9 million in FY2010. This was mainly attributable to listing expenses and related expenses such as staff salary and share-based payment, professional fees and traveling expenses of approximately RMB13.0 million in connection with our IPO. The increase is also due to a special bonus payment of approximately RMB1.5 million in November 2010 to reward the administrative staffs for their contributions to our successful listing on SGX-ST and the increase in salaries and salary-related costs such as incentive bonus for executive director and staff's social insurance contributions.

Other operating expenses increased by approximately RMB6.3 million, from RMB0.2 million in FY2009 to RMB6.5 million in FY2010 as a result of maintenance cost of eucalyptus trees in our plantation forest of approximately RMB6.3 million incurred in FY2010, which was absent in FY2009. We first acquired eucalyptus trees plantations in September 2009.

Income tax expenses

Our income tax expense increased by approximately RMB4.6 million or 45.3% , from approximately RMB10.1 million in FY2009 to approximately RMB14.7 million in FY2010. The increase was mainly due to the corresponding increase in profit before income tax and withholding tax on undistributed earnings of our subsidiaries. The effective tax rate was 11.0% and 12.5% in FY2009 and FY2010, respectively.

Total comprehensive income for the period

The resulting comprehensive income for the financial year under review increased by approximately RMB20.9 million or 25.6%, from approximately RMB81.7 million in FY2009 to approximately RMB102.6 million in FY2010.

STATEMENT OF FINANCIAL POSITION

Our non-current assets increased by approximately RMB146.5 million or 268.8%, from RMB54.5 million as at 31 December 2009 to RMB201.0 million as at 31 December 2010. The increase was mainly due to (i) an increase in value of biological assets of approximately RMB103.6 million as a result of our acquisition of additional eucalyptus trees in our plantation forest approximating 26,125 mu and gains arising from fair value changes, (ii) an increase in land use rights of RMB39.7 million as a result of acquisition of the above-mentioned additional eucalyptus trees, (iii) an increase in prepayment of approximately RMB4.7 million, arising from the advance payment made to Villagers' Committees for the rental of additional shiitake mushroom cultivation bases and advance payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest, and (iv) addition of property, plant and equipment of approximately RMB4.0 million comprising mainly konjac-based production line and auxiliary facilities, and farm equipment and fixtures at our mushroom cultivation bases. The increase was partially offset by amortisation of land use rights, disposal and depreciation charges of approximately RMB4.4 million for FY2010.

Our current assets increased by RMB69.1 million or 60.5%, from RMB114.2 million as at 31 December 2009 to RMB183.3 million as at 31 December 2010. The increase was mainly due to (i) an increase in our biological assets of approximately RMB19.9 million of synthetic logs which will be used for the cultivation of our shiitake mushrooms during January to April 2011 on approximately 2614 mu cultivation bases, (ii) an increase in our inventories by approximately RMB6.7 million which was in line with our increased production activities, and (iii) an increase in cash and bank balances of approximately RMB75.0 million mainly resulted from the net proceeds of the IPO. This increase was partially offset by the decrease in our trade and other receivables by approximately RMB32.5 million, mainly due to reduction in advances to suppliers for material costs of synthetic logs and prepayment.

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 RMB8.4 million as at 31 December 2009 and 31 December 2010 respectively.

Our current liabilities increased by approximately RMB14.4 million or 100.0%, from approximately RMB14.4 million as at 31 December 2009 to approximately RMB28.8 million as at 31 December 2010. The increase was mainly attributable to the increase in trade payables of approximately RMB1.8 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 RMB197.8 million or 132.5% from RMB149.3 million as at 31 December 2009 to RMB347.1 million as at 31 December 2010 mainly due to the retention of net profit in FY2010 and the issuance of new shares.

STATEMENT OF CASH FLOWS

4Q2010

We maintained a strong financial position with approximately RMB80.0 million in cash and bank balances as at the end of the fourth quarter.

In 4Q2010, net cash generated from operating activities amounted to approximately RMB36.6 million compared with net cash generated from operating activities amounting to approximately RMB6.5 million in the corresponding period in FY2009. We generated net cash of approximately RMB59.9 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB20.4 million. This was mainly due to purchase of synthetic logs of approximately RMB84.1 million and increase in inventories of approximately RMB1.4 million. The cash outflow was partially offset by cash inflow from a decrease in trade and other receivables of approximately RMB64.7 million and increase in trade and other payables of approximately RMB0.3 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB2.0 million as well as loss arising from exchange difference of approximately RMB0.9 million.

Net cash of approximately RMB52.5 million was used in investing activities mainly for the purchase of biological assets, namely the eucalyptus trees in the plantation forest, of approximately RMB14.1 million, purchase of land use rights of approximately RMB38.3 million as a result of acquisition of additional nine plots of eucalyptus plantations, additional prepayment made to Villagers' Committees for maintenance cost of eucalyptus trees in our plantation forest and rental of additional shiitake mushroom cultivation bases of approximately RMB2.2 million and purchase of property, plant and equipment of approximately RMB3.3 million. The cash outflow was partially offset by cash inflow of approximately RMB4.5 million mainly from the compensation received by Wangcheng for expropriated land located at Houyu Village, Jingxi Town, Fuzhou City, Fujian Province, PRC, measuring approximately 20.75 mu and proceeds from disposal of property, plant and equipment of approximately RMB0.8 million.

In addition, we have raised approximately RMB79.4 million from financing activities by issuing new shares pursuant to the IPO on 8 October 2010. Our cash flow from financing activities was reduced by loss arising from exchange difference of approximately RMB0.3 million.

FY2010

We continued to maintain a strong financial position as well as a positive working capital position in FY2010.

In FY2010, net cash generated from operating activities amounted to approximately RMB111.8 million. We generated net cash of approximately RMB167.6 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB45.2 million. This was mainly due to purchase of synthetic logs of approximately RMB84.1 million and an increase in inventories of approximately RMB6.7 million. The cash outflow was partially offset by cash inflow from a decrease in trade and other receivables of approximately RMB32.8 million and increase in trade and other payables of approximately RMB12.7 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB9.7 million as well as loss arising from exchange difference of approximately RMB0.9 million.

We used net cash of approximately RMB130.1 million in investing activities, mainly for the purchase of biological assets, namely the eucalyptus trees in the plantation forest measuring aggregate of 26,125 mu, of approximately RMB86.8 million, purchase of land use rights of approximately RMB39.7 million as a result of acquisition of additional 12 plots of eucalyptus plantations, additional prepayment made to Villagers' Committees for maintenance cost of eucalyptus trees in our plantation forest and rental of additional

shiitake mushroom cultivation bases of approximately RMB4.9 million, and purchase of property, plant and equipment of approximately RMB4.0 million. The cash outflow was partially offset by cash inflow of approximately RMB4.5 million mainly from the compensation received by Wangcheng for expropriated land located at Houyu Village, Jingxi Town, Fuzhou City, Fujian Province, PRC, measuring approximately 20.75 mu and proceeds from disposal of property, plant and equipment of approximately RMB0.8 million.

In addition, we have raised approximately RMB93.1 million from financing activities by the conversion of redeemable convertible shares and issuing new shares pursuant to the IPO in FY2010. Our cash flow from financing activities was reduced by loss arising from exchange difference of approximately RMB0.3 million.

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 believe that the growing disposable income in the PRC as well as the greater emphasis towards green and healthy foods are factors that will create increased demand for some of our key products such as shiitake mushrooms and konjac-based processed food.

According to the report from the Department of Agriculture Fujian Province (“DAFP”), total volume of fresh shiitake mushrooms sold in the PRC increased from approximately 800,080 tonnes in FY2007 to approximately 1.15 million tonnes in FY2009. Furthermore, DAFP forecasts the increase in demand for fresh shiitake mushrooms in the PRC from 2010 to 2012 to be approximately 1.38 million tonnes, 1.59 million tonnes and 1.82 million tonnes respectively.

To capitalise on potential growth opportunities, the Group has started to execute its growth strategies such as expansion of production capacity, expansion of distribution network and securing upstream supply of sawdust for cultivation of shiitake mushroom.

Barring unforeseen circumstances, we are optimistic about our performance in FY2011.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The Board of Directors recommends a final dividend of RMB0.043 per share in respect of FY2010, amounting to RMB17,483,592.53 based on 406,595,175 shares issued as at 31 December 2010 for shareholders’ approval at the forthcoming Annual General Meeting.

The recommended final dividend in respect of FY2010, subject to shareholders’ approval at the forthcoming Annual General Meeting, has not been reflected in the financial statements for FY2010 but will be accounted for in the Statement of Changes in Equity as an appropriation of retained earnings in FY2011.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

The Company was incorporated subsequent to 31 December 2009, there was no dividend declared and paid in respect of FY2009.

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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

Not applicable.

13. Interested person transactions

Interested /Related Person	Relationship with our Group	Nature of Transaction
Chen Liyan (陈丽燕) Engaged in the wholesale and retail of agricultural and processed food products	Sister of our Executive Chairman and CEO, Chen Qiuhai and our Executive Officer, Chen Qiufa	Purchase of self-cultivated shiitake mushrooms and processed food products from our Group
Deng Wenfeng (邓文锋) 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 Qiuhai and our Executive Officer, Chen Qiufa	Purchase of self-cultivated shiitake mushrooms and processed food products from our Group
Luo Qiaohua (罗巧花) 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
Du Deming (杜德明) Engaged in the processing and sales of edible fungi and processed food products	Cousin of our Executive Chairman and CEO, Chen Qiuhai 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) ⁽¹⁾	Nil	9,338

⁽¹⁾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.

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

14. 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 shiitake mushrooms RMB'000	Processed food products RMB'000	Total RMB'000
FY2010			
Revenue			
Sales to external customers	172,289	141,667	313,956
Segment results	89,203	42,012	131,215
Other operating income	10	5,408	5,418
Gain from changes in fair value of biological assets	16,838	-	16,838
Selling and distribution expenses	(377)	(2,705)	(3,082)
Administrative expenses	(3,787)	(22,097)	(25,884)
Other operating expenses	(6,333)	(156)	(6,489)
Profit before income tax	95,554	22,462	118,016
Income tax expense	-	(14,676)	(14,676)
Profit after income tax	95,554	7,786	103,340
Other segment items			
Additions of biological assets	170,806	-	170,806
Capital expenditure			
-property, plant and equipment	862	3,191	4,053
-land use rights	39,746	-	39,746
Depreciation and amortisation	66,466	1,777	68,243
Segment assets	251,912	132,338	384,250
Segment liabilities	12,248	16,509	28,757
Unallocated liabilities	-	-	8,419
Total liabilities	12,248	16,509	37,176

FY2009**Revenue**

Sales to external customers	125,478	110,762	236,240
Segment results	58,453	36,157	94,610
Other operating income	-	498	498
Gain from changes in fair value of biological assets	6,443	-	6,443
Selling and distribution expenses	(462)	(1,228)	(1,690)
Administrative expenses	(1,676)	(6,253)	(7,929)
Other operating expenses	-	(158)	(158)
Profit before income tax	62,758	29,016	91,774
Income tax expense	-	(10,099)	(10,099)
Profit after income tax	<u>62,758</u>	<u>18,917</u>	<u>81,675</u>

Other segment items

Additions of biological assets	70,999	-	70,999
Capital expenditure			
-property, plant and equipment	1,118	374	1,492
-land use rights	3,018	-	3,018
Depreciation and amortisation	<u>53,552</u>	<u>2,075</u>	<u>55,627</u>
Segment assets	<u>125,927</u>	<u>42,746</u>	<u>168,673</u>
Segment liabilities	6,698	7,733	14,431
Unallocated liabilities	-	-	4,931
Total liabilities	<u>6,698</u>	<u>7,733</u>	<u>19,362</u>

(b) Geographical information

Sales to external customers

	3 Months Ended		Change %	Financial Year Ended		Change %
	31 Dec 2010 RMB'000	31 Dec 2009 RMB'000		31 Dec 2010 RMB'000	31 Dec 2009 RMB'000	
PRC	90,830	76,508	18.7	225,435	170,735	32.0
Japan	<u>24,538</u>	<u>21,411</u>	14.6	<u>88,521</u>	<u>65,505</u>	35.1
	<u>115,368</u>	<u>97,919</u>		<u>313,956</u>	<u>236,240</u>	

15. **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.

16. A breakdown of sales.

<u>The Group</u>	FY2010	FY2009	Change
	RMB'000	RMB'00	%
Sales reported for the first half year	165,840	120,731	37.4
Profit after tax	60,189	35,855	67.9
Sales reported for the second half year	148,116	115,509	28.2
Profit after tax	43,151	45,820	(5.8)

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

	FY2010	FY2009
	RMB'000	RMB'000
Ordinary	17,484	-

BY ORDER OF THE BOARD**Chen Qiuhai**
Executive Chairman and CEO

25 February 2011