



Yamada Green Resources Limited

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

Unaudited Financial Statements And Dividend Announcement for Financial Year Ended 30 June 2011

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) 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 %	Financial Year Ended		Change %
	30 Jun 2011	30 Jun 2010 ⁽¹⁾		30 Jun 2011 ⁽²⁾	31 Dec 2010 ⁽²⁾	
	RMB'000	RMB'000		(6 months) RMB'000	(12 months) RMB'000	
Revenue	54,395	41,031	32.6	216,338	313,956	(31.1)
Cost of sales	<u>(35,737)</u>	<u>(28,554)</u>	25.2	<u>(126,149)</u>	<u>(182,741)</u>	(31.0)
Gross profit	18,658	12,477	49.5	90,189	131,215	(31.3)
Other operating income	286	82	248.8	373	5,418	(93.1)
Gain from changes in fair value of biological assets	5,020	- ⁽³⁾	n/m	5,020	16,838	(70.2)
Selling and distribution expenses	(1,886)	(979)	92.6	(2,469)	(3,082)	(19.9)
Administrative expenses	(9,072)	(1,177)	670.8	(13,393)	(25,884)	(48.3)
Other operating expenses	<u>(1,347)</u>	<u>(1,589)</u>	(15.2)	<u>(3,580)</u>	<u>(6,489)</u>	(44.8)
Profit before income tax	11,659	8,814	32.3	76,140	118,016	(35.5)
Income tax expense	<u>(5,230)</u>	<u>(2,305)</u>	126.9	<u>(6,578)</u>	<u>(14,676)</u>	(55.2)
Profit after income tax	6,429	6,509	(1.2)	69,562	103,340	(32.7)
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation	830	-	n/m	2,107	(735)	n/m
Total comprehensive income for the financial period	<u>7,259</u>	<u>6,509</u>	11.5	<u>71,669</u>	<u>102,605</u>	(30.2)

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 30 June 2010 represent combined financial statements of the Group prepared based on common control accounting.

⁽²⁾The Company changed its financial year end from 31 December to 30 June. The current financial year covers a period of six months from 1 January 2011 to 30 June 2011 whereas the previous financial year covered a period of 12 months from 1 January 2010 to 31 December 2010. Generally this accounted for the lower revenue and expenses for the current period. Therefore, the percentage of decrease compared with the previous year is pure arithmetical calculations.

⁽³⁾The fair value of eucalyptus trees at each balance sheet date is obtained through an independent expert valuer. No valuation of eucalyptus trees was done as at 30 June 2010. Hence, there was no changes in fair value of biological assets recorded in the three months ended 30 June 2010.

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 %
	30 Jun 2011	30 Jun 2010		30 Jun 2011 (6 months) RMB’000	31 Dec 2010 (12 months) RMB’000	
	RMB’000	RMB’000				
Amortisation of land use rights	294	159	84.9	590	858	(31.2)
Amortisation of biological assets	11,894	3,155	195.1	59,805	64,125	(6.7)
Amortisation of prepayment	1,828	-	n/m	2,771	-	n/m
Depreciation of property, plant and equipment	970	1,130	(14.2)	1,901	3,260	(41.7)
Exchange loss	413	87	n/m	1,718	150	n/m
Interest income	(26)	(2)	n/m	(63)	(27)	133.3
Gain from changes in fair value of biological assets	(5,020)	-	n/m	(5,020)	(16,838)	(70.2)
Gain on compensation from expropriated land	-	-	n/m	(260)	(3,389)	(93.0)
Gain on disposal of property, plant and equipment	-	-	n/m	-	(474)	n/m
Government grants	-	(157)	n/m	(50)	(1,522)	(96.7)
Share-based payment expenses	-	-	n/m	-	2,077	n/m

n/m – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	As at 30 Jun 2011	As at 31 Dec 2010	As at 30 Jun 2011	As at 31 Dec 2010
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	18,907	18,946	13	-
Biological assets ⁽¹⁾	122,950	117,930	-	-
Land use rights	44,408	44,998	-	-
Investments in subsidiaries	-	-	88,686	72,156
Prepayments	51,256	19,119	-	-
	237,521	200,993	88,699	72,156
Current assets				
Biological assets ⁽²⁾	100	54,635	-	-
Inventories	16,619	13,314	-	-
Trade and other receivables	139,302	35,288	47,066	44,498
Cash and bank balances	34,454	80,020	7,649	45,830
	190,475	183,257	54,715	90,328
Less:				
Current liabilities				
Trade and other payables	12,834	26,010	1,378	1,575
Current income tax payable	1,824	2,747	-	-
	14,658	28,757	1,378	1,575
Net current assets	175,817	154,500	53,337	88,753
Non-current liability				
Deferred tax liability	(12,079)	(8,419)	-	-
Net assets	401,259	347,074	142,036	160,909
Capital and reserves				
Share capital	135,176	135,176	135,176	135,176
Share-based payment reserve	2,077	2,077	2,077	2,077
Statutory reserve	31,385	24,045	-	-
Foreign currency translation account	1,372	(735)	4,018	380
Accumulated profits	231,249	186,511	765	23,276
Total equity	401,259	347,074	142,036	160,909

⁽¹⁾This represents eucalyptus trees in plantation forest.

⁽²⁾This represents edible fungus mycelia and synthetic logs held by the Group.

(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 Jun 2011		As at 31 Dec 2010	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 30 Jun 2011		As at 31 Dec 2010	
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	
	30 Jun 2011	30 Jun 2010⁽¹⁾	30 Jun 2011	31 Dec 2010
	RMB'000	RMB'000	(6 months) RMB'000	(12 months) RMB'000
Cash flow from operating activities				
Profit before income tax	11,659	8,814	76,140	118,016
Adjustments for:				
Depreciation of property, plant and equipment	970	1,130	1,901	3,260
Amortisation of land use rights	294	159	590	858
Amortisation of biological assets ⁽²⁾	11,894	3,155	59,805	64,125
Amortisation of prepayment	1,828	-	2,771	-
Gain on disposal of property, plant and equipment	-	-	-	(474)
Gain on compensation for expropriated land	(260)	-	(260)	(3,389)
Gain arising from fair value changes in biological assets ⁽³⁾	(5,020)	-	(5,020)	(16,838)
Share-based payment expenses	-	-	-	2,077
Interest income	(26)	(2)	(63)	(27)
Operating profits before working capital changes	21,339	13,350	135,864	167,608
Biological assets ⁽²⁾	(100)	-	(5,270)	(84,054)
Inventories	1,557	(5,324)	(3,305)	(6,732)
Trade and other receivables	5,557	(6,843)	(101,871)	32,855
Trade and other payables	(7,903)	8,500	(13,176)	12,687
Cash generated from operations	20,450	9,683	12,242	122,364
Interest received	26	2	63	27
Income taxes paid	(1,348)	(2,915)	(3,797)	(9,654)
Exchange difference on operating activities	(549)	-	-	(938)
Net cash generated from operating activities	18,579	6,770	8,508	111,799
Cash flow from investing activities				
Proceeds from disposal of property, plant and equipment	-	-	-	833
Purchase of property, plant and equipment	(883)	(498)	(1,862)	(4,052)
Purchase of biological assets ⁽³⁾	-	-	-	(86,752)
Purchase of land use rights	-	-	-	(39,746)
Compensation received for expropriated land	260	-	260	4,514
Prepayments	(34,687)	(1,102)	(37,094)	(4,968)
Exchange difference on investing activities	(1,530)	-	(1,530)	88
Net cash used in investing activities	(36,840)	(1,600)	(40,226)	(130,083)

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<u>The Group</u>	<u>3 Months Ended</u>		<u>Financial Year Ended</u>	
	30 Jun 2011	30 Jun 2010 ⁽¹⁾	30 Jun 2011	31 Dec 2010
	RMB'000	RMB'000	(6 months) RMB'000	(12 months) RMB'000
Cash flow from financing activities				
Issue of new shares	-	-	-	93,080
Payment of dividend	(17,484)	-	(17,484)	-
Exchange difference on financing activities	3,344	-	3,344	(342)
Net cash (used in)/generated from financing activities	(14,140)	-	(14,140)	92,738
Net (decrease)/increase in cash and bank balances	(32,401)	5,170	(45,858)	74,454
Cash and bank balances at beginning of the financial period	67,067	2,214	80,020	5,049
Effect of foreign exchange rate changes in cash and bank balances	(212)	-	292	517
Cash and bank balances at end of the financial period	34,454	7,384	34,454	80,020

⁽¹⁾The comparative consolidated statement of cash flows of the Group for the three months ended 30 June 2010 represents the combined statement of cash flows of the Group prepared based on common control accounting.

⁽²⁾This represents edible fungus mycelia and 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.

The Group	Share capital RMB'00	Share-based payment reserve RMB'000	Foreign currency translation account RMB'000	Statutory Reserve RMB'000	Accumulated profit RMB'000	Total equity RMB'000
Balance as at 01.01.2010	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 year	-	-	(735)	-	103,340	102,605
Balance as at 31.12.2010	<u>135,176</u>	<u>2,077</u>	<u>(735)</u>	<u>24,045</u>	<u>186,511</u>	<u>347,074</u>
Balance as at 01.01.2011	135,176	2,077	(735)	24,045	186,511	347,074
Total comprehensive income for the financial period	-	-	1,277	-	63,133	64,410
Balance as at 31.03.2011	<u>135,176</u>	<u>2,077</u>	<u>542</u>	<u>24,045</u>	<u>249,644</u>	<u>411,484</u>
Dividends paid	-	-	-	-	(17,484)	(17,484)
Transfer to statutory reserve	-	-	-	7,340	(7,340)	-
Total comprehensive income for the financial period	-	-	830	-	6,429	7,259
Balance as at 30.06.2011	<u>135,176</u>	<u>2,077</u>	<u>1,372</u>	<u>31,385</u>	<u>231,249</u>	<u>401,259</u>

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<u>The Company</u>	Share capital RMB'000	Share-based payment reserve RMB'000	Foreign currency translation account RMB'000	Accumulated profits 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 as at 31.12.2010	135,176	2,077	380	23,276	160,909
Balance as at 01.01.2011	135,176	2,077	380	23,276	160,909
Total comprehensive income/(loss) for the financial period	-	-	2,326	(1,579)	747
Balance as at 31.03.2011	135,176	2,077	2,706	21,697	161,656
Dividends paid	-	-	-	(17,484)	(17,484)
Total comprehensive income/(loss) for the financial period	-	-	1,312	(3,448)	(2,136)
Balance as at 30.06.2011	135,176	2,077	4,018	765	142,036

*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.**

There were no changes in the Company's share capital during the period reported on.

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

	As at 30 Jun 2011	As at 31 Dec 2010
Total number of issued shares (excluding treasury shares)	406,595,175	406,595,175

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

Not applicable.

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

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

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

Not applicable.

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

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 financial statements for the financial year ended 31 December 2010. 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>3 Months Ended</u>		<u>Financial Year Ended</u>	
	30 Jun 2011	30 Jun 2010	30 Jun 2011	31 Dec 2010
<u>The Group</u>				
Net profit after tax attributable to equity holders of the Company (RMB'000)	6,429	6,509	69,562	103,340
Number of ordinary shares ('000)	406,595	331,683	406,595	120,037
Earnings per share (RMB cents) -basic/fully diluted	1.6	2.0	17.1	86.1

The Company had no dilutive equity instruments as at 30 June 2011 and 31 December 2010. Therefore, the fully diluted earnings per share for period ended 30 June 2011 and 31 December 2010 were the same as the basis earnings per shares for the period ended 30 June 2011 and 31 December 2010 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 three months and financial year ended 30 June 2011 is computed based on the weighted average number of shares in issue of 406,595,175 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 period, 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 three months ended 30 June 2010 computed above is based on the Company's pre-Invitation share capital of 331,683,218 ordinary shares and the earnings per share for the financial year ended 31 December 2010 is computed based on the weighted average number of shares in issue during the financial period.

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 Jun 2011	As at 31 Dec 2010
Net asset value per share (RMB cents)	98.7	85.4
Number of ordinary shares ('000)	406,595	406,595
<u>The Company</u>	As at 30 Jun 2011	As at 31 Dec 2010
Net asset value per share (RMB cents)	35.3	39.6
Number of ordinary shares ('000)	406,595	406,595

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

STATEMENT OF COMPREHENSIVE INCOME

Review of performance for the three months ended 30 June 2011 ("4Q2011") compared with the three months ended 30 June 2010 ("4Q2010")

Revenue

Our revenue increased by approximately RMB13.4 million, from approximately RMB41.0 million in 4Q2010 to approximately RMB54.4 million in 4Q2011, an increase of approximately 32.6%.

The increase was due to several factors. Firstly, an increase of approximately RMB8.2 million in sales of self-cultivated fresh shiitake mushrooms because of additional cultivation bases. In 4Q2011, we operated approximately 2,614 mu of cultivation bases as against approximately 2,213 mu in 4Q2010. We produced and sold approximately 2,000 tonnes of self-cultivated shiitake mushrooms in 4Q2011. Secondly, approximately RMB4.6 million new revenue from sales of approximately 1,000 tonnes of fresh black fungus in 4Q2011. Thirdly, higher average unit selling price for self-cultivated fresh shiitake mushrooms, from approximately RMB5.40/kg in 4Q2010 to RMB6.60/kg in 4Q2011, an increase of approximately 22.2%. Fourthly, higher sales of convenience food, especially konjac instant noodles, from approximately RMB8.6 million in 4Q2010 to approximately RMB9.7 million in 4Q2011. The increase of approximately RMB1.1 million of sales was the result of intensive promotion efforts in the PRC.

The increase in revenue was moderated by lower export sales of dried shiitake mushrooms, from approximately RMB6.1 million in 4Q2010 to approximately RMB5.6 million in 4Q2011, a fall of approximately RMB0.5 million. The weaker demand for dried mushroom from Japan was caused by the tsunami in March 2011.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB6.2 million or 49.5%, from approximately RMB12.5 million in 4Q2010 to approximately RMB18.7 million in 4Q2011 which was in line with the increase in our revenue.

The overall gross profit margin increased from approximately 30.4% in 4Q2010 to approximately 34.3% in 4Q2011 as a result of the changes in our sales mix which our self-cultivated fungi segment commanded higher gross profit margin as compared to our processed food products segment. Revenue generated from our self-cultivated fungi was approximately 34.5% of our total sales in 4Q2011 as compared to approximately 14.5% in 4Q2010.

Gain from changes in fair value of biological assets

The fair value of our eucalyptus trees at each balance sheet date is obtained through an independent expert valuer. Our gain from changes in fair value of biological assets was approximately RMB5.0 million in 4Q2011. No valuation of our eucalyptus trees was done as at 30 June 2010. Hence, there was no change in fair value of biological assets recorded in the three months ended 30 June 2010. We currently own 30,257 mu of eucalyptus trees plantation. (4Q2010: 20,035 mu). The gain from changes in fair value of biological assets was mainly attributable to the increase in plantation density of our eucalyptus trees plantations as the trees matured.

A copy of the valuation report is available for inspection at our registered office during normal business hours for three months from the date of the announcement. The gain from changes in fair value of biological assets would have been approximately RMB4.3 million in 4Q2010 if a valuation had been done as at 30 June 2010.

Other operating income

Other operating income increased by approximately RMB0.2 million or 248.8%, from approximately RMB0.1 million in 4Q2010 to approximately RMB0.3 million in 4Q2011. This was mainly due to gains from additional compensation received by our wholly-owned subsidiary, Fuzhou Wangcheng Foods Development Co., Ltd. (“Wangcheng”) from Fuzhou Government, in relation to the expropriation of part of the industrial land located at Houyu Village, Jingxin Town, Fuzhou City, Fujian Province, PRC (“Expropriated Land”). For details of the Expropriated Land, please refer to page 40 under section “Risk Factors” in our Company’s Prospectus dated 29 September 2010.

Operating expenses

Selling and distribution expenses increased by approximately RMB0.9 million or 92.6%, from approximately RMB1.0 million in 4Q2010 to approximately RMB1.9 million in 4Q2011. This was mainly due to the expenses to engage a brand consulting firm for branding, repositioning and marketing our konjac-based dietary fibre food products in PRC market.

Administrative expenses increased by approximately RMB7.9 million or 670.8%, from RMB1.2 million in 4Q2010 to RMB9.1 million in 4Q2011. This was mainly attributable to the increase in R&D expense of approximately RMB2.7 million, salaries and salary-related costs including directors’ remuneration, directors’ fees and social insurance contributions of approximately RMB2.6 million, additional depreciation and amortisation costs incurred during non-cultivation season of approximately RMB0.3 million, and additional traveling, entertainment and other incidental costs as compared to 4Q2010. Higher administrative expenses were attributable to the increased activities followed by our listing on SGX-ST in October 2010.

Other operating expenses decreased by approximately RMB0.2 million or 15.2%, from RMB1.5 million in 4Q2010 to RMB1.3 million in 4Q2011. Other operating expenses comprised mainly maintenance cost of eucalyptus trees in our plantation forest and foreign exchange loss. The maintenance cost of eucalyptus trees in our plantation forest decreased by approximately RMB0.6 million in 4Q2011 as part of eucalyptus trees grew to nearer maturity age. The eucalyptus trees in our plantation forest require less maintenance and fertilizer when they grow to 4 years and above. We had incurred in 4Q2011 an unrealized foreign exchange loss of approximately RMB0.4 million on translation of bank balances denominated in RMB into Singapore Dollar as a result of appreciation in Singapore Dollar during the period under review.

Income tax expenses

Our income tax expense increased by approximately RMB2.9 million or 126.9%, from approximately RMB2.3 million in 4Q2010 to approximately RMB5.2 million in 4Q2011. The increase was mainly due to the withholding tax on undistributed earnings of our PRC subsidiaries.

Total comprehensive income for the period

The resulting comprehensive income for the quarter under review increased by approximately RMB0.8 million or 12.8%, from approximately RMB6.5 million in 4Q2010 to approximately RMB7.3 million in 4Q2011.

Review of performance for the six months ended 30 June 2011 (“FY2011”) compared with the six months ended 30 June 2010 (“HY2010”)

With the change of financial year from 31 December to 30 June, current financial period covers a six months period whereas the previous financial year covered a 12 months period. Generally this accounted for the lower revenue and expenses for the current period. Therefore, the percentage of decrease compared with the previous year is pure arithmetical calculations.

For the purpose of this announcement, the review of performance for the six months ended 30 June 2011 (“FY2011”) had been compared with the six months ended 30 June 2010 (“2H2010”).

<u>The Group</u>	<u>6 Months Ended</u>		<u>Change %</u>
	<u>30 Jun 2011</u> <u>RMB'000</u>	<u>30 Jun 2010⁽¹⁾</u> <u>RMB'000</u>	
Revenue	216,338	165,840	30.4
Cost of sales	(126,149)	(91,910)	37.3
Gross profit	90,189	73,930	22.0
Other operating income	373	1,175	(68.3)
Gain from changes in fair value of biological assets	5,020	2,249 ⁽²⁾	(123.2)
Selling and distribution expenses	(2,469)	(1,520)	62.4
Administrative expenses	(13,393)	(4,616)	190.1
Other operating expenses	(3,580)	(3,167)	13.0
Profit before income tax	76,140	68,051	11.9
Income tax expense	(6,578)	(7,861)	(16.3)
Profit after income tax	69,562	60,190	15.6
<i>Other comprehensive income, net of tax</i>			
Foreign currency translation	2,107	-	n/m
Total comprehensive income for the financial period	71,669	60,190	19.1

⁽¹⁾For the purpose of this announcement, the comparative consolidated financial statements of the Group for the six months ended 30 June 2010 represent combined financial statements of the Group prepared based on common control accounting.

⁽²⁾The fair value of eucalyptus trees at each balance sheet date is obtained through an independent expert valuer. No valuation of eucalyptus trees was done as at 30 June 2010. The gain from changes in fair value of biological assets approximately RMB2.2 million in 2H2010 was due to valuation done for IPO purpose.

Revenue

Our revenue increased by approximately RMB50.5 million, from approximately RMB165.8 million in 2H2010 to approximately RMB216.3 million in FY2011, an increase of approximately 30.4%.

The increase was due to several factors. Firstly, an increase of approximately RMB39.3 million in sales of self-cultivated fresh shiitake mushrooms because of additional cultivation bases. In FY2011, we operated approximately 2,614 mu of cultivation bases as against approximately 2,213 mu in 2H2010. We had produced and sold approximately 20,000 tonnes of self-cultivated fresh shiitake mushrooms in FY2011. Secondly, an approximately RMB9.1 million new revenue from sales of black fungus, we had produced and sold approximately 2,000 tonnes of fresh black fungus in FY2011. Thirdly, higher average unit selling price for self-cultivated fresh shiitake mushrooms, from approximately RMB6.50/kg in 2H2010 to RMB6.80/kg in FY2011, an increase of approximately 4.6%. Fourthly, higher sales of convenience food, especially konjac instant noodles, from approximately RMB16.1 million in 2H2010 to approximately RMB17.9 million in FY2011. The increase of approximately RMB1.8 million of sales was the result of intensive promotion efforts in the PRC. The increase in revenue from other processed foods products amounted to approximately RMB0.4 million.

Export sales of processed food products remained relatively stable at approximately RMB44.1 million for FY2011 and 2H2010.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB16.3 million or 22.0%, from RMB73.9 million in 2H2010 to RMB90.2 million in FY2011 which was in line with the increase in revenue.

Our overall gross profit margin decreased from approximately 44.6% in 2H2010 to approximately 41.7% in FY2011.

The gross profit margin for our self-cultivation business segment decreased from approximately 52.8% in 2H2010 to approximately 48.3% in FY2011 mainly due to (i) the rising raw material cost of synthetic logs whereas our selling price of fresh shiitake mushrooms did not increase in tandem, and (ii) our self-cultivated black fungus commanded a relatively lower gross profit margin at approximately 40.5% compared to that of our self-cultivated shiitake mushrooms.

The gross profit margin for our processed food products business segment decreased from approximately 25.7% in 2H2010 to approximately 22.2% in FY2011 as a result of rising raw material cost of our processed food, in particular, bamboo shoots and other vegetables.

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 RMB2.8 million or 123.2%, from approximately RMB2.2 million in 2H2010 to approximately RMB5.0 million in FY2011. We currently own 30,257 mu of eucalyptus trees plantation. (2H2010: 20,035 mu). The gain from changes in fair value of biological assets was mainly attributable to the increase in plantation density of our eucalyptus trees plantations as the trees matured.

A copy of the valuation report is available for inspection at our registered office during normal business hours for three months from the date of the announcement. The gain from changes in fair value of biological assets would have been approximately RMB6.6 million in 2H2010 if a valuation had been done as at 30 June 2010.

Other operating income

Other operating income comprises mainly government grants and subsidies, interest income and other miscellaneous gains. Other operating income decreased by approximately RMB0.8 million or 68.3%, from RMB1.2 million in 2H2010 to RMB0.4 million in FY2011. In 2H2010, we received a RMB1.0 million award for Wangcheng, as Agricultural Industrialisation Outstanding Dragon Head Enterprise for 2009 in Fujian Province, PRC, which was not present in FY2011. The decrease was partially offset by the gain from additional compensation received from Fuzhou Government by Wangcheng in relation to the Expropriated Land.

Operating expenses

Selling and distribution expenses increased by approximately RMB1.0 million or 62.4%, from approximately RMB1.5 million in 2H2010 to approximately RMB2.5 million in FY2011. This was mainly due to expenses to engage brand consulting firm for branding, repositioning and marketing our konjac-based dietary fibre food products in PRC market.

Administrative expenses increased by approximately RMB8.8 million or 190.1%, from RMB4.6 million in 2H2010 to RMB13.4 million in FY2011. This was mainly attributable to the increase in R&D expense of approximately RMB1.3 million, salaries and salary-related costs including directors' remuneration, directors' fees and social insurance contributions of approximately RMB3.6 million, additional depreciation and amortisation costs incurred during non-cultivation season of approximately RMB0.6 million, and additional traveling, entertainment and other incidental costs as compared to 2H2010 which was the results of increased activities followed by our listing on SGX-ST in October 2010.

Other operating expenses increased by approximately RMB0.4 million or 13.0%, from RMB3.2 million in 2H2010 to RMB3.6 million in FY2011. We had incurred in FY2011 an unrealized foreign exchange loss of approximately RMB1.7 million on translation of bank balances denominated in RMB into Singapore Dollar as a result of stronger Singapore Dollar since beginning of FY2011, this is non-recurring in nature. The maintenance cost of eucalyptus trees in our plantation forest decreased by approximately RMB1.3 million in FY2011 as part of eucalyptus trees grew to nearer maturity age. The eucalyptus trees in our plantation forest require less maintenance and fertilizer when they grow to 4 years and above.

Income tax expenses

Our income tax expense decreased by approximately RMB1.3 million or 16.3%, from approximately RMB7.9 million in 2H2010 to approximately RMB6.6 million in FY2011. The decrease was mainly due to the corresponding decrease in profit before income tax of our processed foods business segment. Our subsidiary, Wangcheng, is subject to the Enterprise Income Tax at the rate of 25.0% and our subsidiary, Yuanwang, is subject to the Enterprise Income Tax at a 50.0% reduction, ie, the rate of 12.5%. Our self-cultivated edible fungi business segment is exempted from the Enterprise Income Tax and the value added tax for revenue deriving from the sales of self-cultivated and/or semi-processed agricultural products.

The effective tax rate was 8.6% and 11.6% in FY2011 and 2H2010.

Total comprehensive income for the period

The resulting comprehensive income for the six months under review increased by approximately RMB11.5 million or 19.1%, from approximately RMB60.2 million in 2H2010 to approximately RMB71.7 million in FY2011.

STATEMENT OF FINANCIAL POSITION

Our non-current assets increased by approximately RMB36.5 million or 18.2%, from RMB201.0 million as at 31 December 2010 to RMB237.5 million as at 30 June 2011. The increase was mainly due to (i) an increase in value of biological assets of approximately RMB5.0 million as a result of gain from changes in fair value of biological assets, ie, the eucalyptus trees in our plantation forest, and (ii) the capital expenditure of on the following items, firstly, advance payment made to Villagers' Committees for the rental of edible fungi cultivation bases; secondly, advance payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest; thirdly, payment of grant towards sales and marketing costs to our newly appointed self-cultivated shiitake mushrooms distribution outlets in the PRC in order to strengthen our sales and distribution network; fourthly, purchase of property, plant and equipment for further expansion of our production facilities. The increase was partially offset by the amortisation and depreciation of non-current assets.

Our current assets increased by RMB7.2 million or 3.8%, from RMB183.3 million as at 31 December 2010 to RMB190.5 million as at 30 June 2011. The increase was mainly due to (i) an increase in our trade and other receivables by approximately RMB104.0 million, being advances to suppliers for material costs of synthetic logs which will be used for the cultivation of our shiitake mushrooms during late September 2011 to April 2012 on approximately 5,134 mu cultivation bases, and (ii) an increase in our inventories by approximately RMB3.3 million which was in line with our increased production activities. This increase was partially offset by the amortisation of biological assets, namely shiitake mushroom synthetic logs, of approximately RMB54.6 million due to utilisation of synthetic logs towards the end of harvesting season till April 2011 for the cultivation of our shiitake mushrooms and black fungus and decrease in cash and bank balances of approximately RMB45.5 million.

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 RMB12.1 million and RMB8.4 million as at 30 June 2011 and 31 December 2010 respectively.

Our current liabilities decreased by approximately RMB14.1 million or 49.0%, from approximately RMB28.8 million as at 31 December 2010 to approximately RMB14.7 million as at 30 June 2011. This was mainly due to the decrease in trade payables of approximately RMB13.2 million and decrease in current income tax payables of approximately RMB0.9 million.

Our capital and reserves increased by approximately RMB54.2 million or 15.6% from RMB347.1 million as at 31 December 2010 to RMB401.3 million as at 30 June 2011 mainly due to the retention of net profit of approximately RMB69.6 million and foreign currency translation reserve of approximately RMB2.1 million in FY2011. Our capital and reserves was reduced by approximately RMB17.5 million as a result of the payment of final dividends of RMB0.043 per share in May 2011.

STATEMENT OF CASH FLOWS

4Q2011

We continued to maintain a strong financial position with approximately RMB34.5 million in cash and bank balances as at 30 June 2011.

In 4Q2011, net cash generated from operating activities amounted to approximately RMB18.6 million compared with net cash generated from operating activities amounting to approximately RMB6.8 million in the corresponding period in FY2010. We generated net cash of approximately RMB21.3 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB0.9 million. This was mainly due to a decrease in other receivables of approximately RMB5.6 million and a decrease in inventories of approximately RMB1.6 million. The cash inflow was offset by cash outflow from a decrease in trade and other payables of approximately RMB7.9 million and purchase of mycelia of RMB0.1 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB1.3 million. Loss arising from exchange difference on operating activities was approximately RMB0.5 million.

Net cash of approximately RMB36.8 million was used in investing activities for the purchase of property, plant and equipment of approximately RMB0.9 million, prepayment of maintenance cost of eucalyptus trees in our plantation forest of approximately RMB2.1 million, advance payment made to Villagers' Committees for the rental of black fungus cultivation bases and shiitake mushroom cultivation bases of approximately RMB27.6 million and payment of grant towards sales and marketing costs to our newly appointed self-cultivated shiitake mushrooms distribution outlets in the PRC of RMB5.0 million. The cash outflow was partially offset by cash inflow of approximately RMB0.3 million from the compensation received by Wangcheng for the Expropriated Land. Loss arising from exchange difference on investing activities was approximately RMB1.5 million.

Net cash used in financing activities was approximately RMB14.1 million as a result of payment of final dividends of RMB0.043 per share in May 2011, which amounted to approximately RMB17.5 million. Exchange difference on financing activities was approximately RMB3.4 million due to translation of capital and reserve at end of financial period as a result of appreciation of Singapore Dollar against RMB.

FY2011

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

In FY2011, net cash generated from operating activities amounted to approximately RMB8.5 million. We generated net cash of approximately RMB135.9 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB123.6 million. This was mainly due to several factors. Firstly, an increase in advances to suppliers of approximately RMB 103.6 million mainly for material costs of synthetic logs which will be used for the cultivation of our shiitake mushrooms during late September 2011 to April 2012 on approximately 5,134 mu cultivation bases. Secondly, purchase of black fungus synthetic logs and mycelia of shiitake mushrooms for approximately RMB5.3 million. Thirdly, an increase in inventories such as finished goods and packaging materials of approximately RMB3.3 million. Fourthly, a decrease in trade and other payables of approximately RMB13.1 million. The cash outflow was partially offset by a decrease in trade and other receivables of approximately RMB1.7 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB3.8 million.

We used net cash of approximately RMB40.2 million in investing activities. This was mainly for the purchase of property, plant and equipment of approximately RMB1.9 million, prepayment of maintenance cost of eucalyptus trees in our plantation forest of approximately RMB2.1 million, advance payment made to Villagers' Committees for the

rental of black fungus cultivation bases and shiitake mushroom cultivation bases of approximately RMB30.0 million and payment of grant towards sales and marketing costs to our newly appointed self-cultivated shiitake mushrooms distribution outlets in the PRC of RMB5.0 million. The cash outflow was partially offset by cash inflow of approximately RMB0.3 million from the compensation received by Wangcheng for the Expropriated Land. Loss arising from exchange difference on investing activities was approximately RMB1.5 million.

Net cash used in financing activities was approximately RMB14.1 million as a result of payment of final dividends of RMB0.043 per share in May 2011, which amounted to approximately RMB17.5 million. Exchange difference on financing activities was approximately RMB3.4 million due to translation of capital and reserve at end of financial period as a result of appreciation of Singapore Dollar against RMB.

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

Our current results are in line with our statement made under paragraph 10 in our second quarter 2011 results announcement released on 12 August 2011.

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.

As a result of growing affluence of the PRC population as well as the greater emphasis towards green and healthy foods, this is expected to underpin demand for some of the key products of the Group such as edible fungi and konjac-based dietary fibre food products.

As at 30 June 2011, the Group has achieved its target by doubling shiitake mushrooms cultivation bases to approximately 5,134 mu (1 mu equals approximately 667 square metres) compared to approximately 2,614 mu at the beginning of FY2011. The newly leased agricultural land is expected to contribute positively to Group earnings for the financial year ended 30 June 2012 as they will be ready in time for the coming harvest season between late September 2011 and April 2012.

In a bid to expand sales network outside Fujian Province, the Group has set up 12 fresh shiitake mushrooms distribution outlets since October 2011. By moving down the supply chain through the setting up of new distribution outlets, the Group believes that it will be in a better position to manage and drive its sales and marketing efforts and promote the sales of self-cultivated fresh shiitake mushrooms.

The Group is devoted to managing rising costs of raw materials and labour in China. From 2012 onwards, the Group will commence partial utilisation of its own eucalyptus trees to produce sawdust which are the raw material for the synthetic logs used in the cultivation of shiitake mushrooms, this may lead to potential cost savings. In addition, the Group continues to benefit from the seasonal complementary arrangement for cultivation of shiitake mushrooms as the agricultural land is only leased for seven months of harvesting season in each year. As a result, the labour costs are minimised since the Group is not required to maintain a large number of full-time employees.

To capitalise on potential growth opportunities, the Group will continue to implement its growth strategies such as expansion of edible fungi cultivation bases, expansion of distribution network, expansion of konjac-based dietary fibre food products range and securing additional upstream supply of sawdust for cultivation of edible fungi.

Barring unforeseen circumstances, the Group remains optimistic about its performance for the remaining year of FY2012.

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.

No dividend has been declared or recommended for the three months and financial year ended 30 June 2011.

13. Interested person transactions

There has been no interested person transactions during the three months and financial year ended 30 June 2011.

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 edible fungi RMB'000	Processed food products RMB'000	Corporate RMB'000	Total RMB'000
FY2011				
Revenue				
Sales to external customers	144,775	71,563	-	216,338
Segment results	69,975	20,214	-	90,189
Other operating income	23	334	16	373
Gain from changes in fair value of biological assets	5,020	-	-	5,020
Selling and distribution expenses	(139)	(2,330)	-	(2,469)
Administrative expenses	(3,219)	(6,233)	(3,941)	(13,393)
Other operating expenses	(1,853)	(8)	(1,719)	(3,580)
Profit before income tax	69,807	11,977	(5,644)	76,140
Income tax expense	-	(2,918)	(3,660)	(6,578)
Profit after income tax	69,807	9,059	(9,304)	69,562
Other segment items				
Additions of biological assets	5,270	-	-	5,270
Capital expenditure -property, plant and equipment	942	906	14	1,862
Interest revenue	23	24	16	63
Depreciation and amortisation	61,335	959	2	62,296
Segment assets	340,253	79,184	8,529	427,966
Segment liabilities	287	12,993	1,378	14,658
Unallocated liabilities	-	-	-	12,079
Total liabilities	287	12,993	1,378	26,737

Yamada Green Resources Limited

	Self-cultivated edible fungi RMB'000	Processed food products RMB'000	Corporate 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	5,407	1	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)	(8,511)	(13,586)	(25,884)
Other operating expenses	(6,333)	(156)	-	(6,489)
Profit before income tax	95,554	36,047	(13,585)	118,016
Income tax expense	-	(9,249)	(5,427)	(14,676)
Profit after income tax	95,554	26,798	(19,012)	103,340
Other segment items				
Additions of biological assets	170,806	-	-	170,806
Capital expenditure -property, plant and equipment	862	3,190	-	4,052
-land use rights	39,746	-	-	39,746
Interest revenue	10	16	1	27
Depreciation and amortisation	66,466	1,777	-	68,243
Segment assets	251,912	86,482	45,855	384,249
Segment liabilities	12,248	14,934	1,575	28,757
Unallocated liabilities	-	-	8,419	8,419
Total liabilities	12,248	14,934	9,994	37,176

(b) Geographical information

Sales to external customers

	Financial Year Ended		Change
	30 Jun 2011	31 Dec 2010	
	RMB'000	RMB'000	%
PRC	172,206	225,435	(23.6)*
Japan	44,132	88,521	(50.1)*
	216,338	313,956	

*The Company changed its financial year end from 31 December to 30 June. The current financial year covers a period of six months from 1 January 2011 to 30 June 2011 whereas the previous financial year covered a period of 12 months from 1 January 2010 to 31 December 2010. Therefore, the percentage of decrease compared with the previous year is pure arithmetical calculations.

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>	FY2011	FY2010	Change
	RMB'000	RMB'00	%
Sales reported for the first half year	216,338	165,840	30.4
Profit after tax	69,562	60,189	15.6
Sales reported for the second half year	-*	148,116	n/m
Profit after tax	-*	43,151	n/m

n/m – not meaningful

*The Company changed its financial year end from 31 December to 30 June. The current financial year covers a period of six months from 1 January 2011 to 30 June 2011 whereas the previous financial year covered a period of 12 months from 1 January 2010 to 31 December 2010.

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

	FY2011	FY2010
	RMB'000	RMB'000
Ordinary	-	17,484

18. Update of Use of IPO Proceeds.

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

Future Plans	Proposed	Utilisation	Unutilised
		pursuant to the agreements as announced on 1 Dec 2010, 23 Dec 2010, 18 Apr 2011 and 15 Jun 2011	
	SGD (million)	SGD (million)	SGD (million)
Expand our shiitake mushroom cultivation bases	4.6	4.6	-
Expand our eucalyptus plantations	5.0	5.0	-
Establish our own distribution and marketing network	2.0	1.0	1.0
Strengthen processing capabilities of our konjac-based processed food products	1.8	0.5	1.3
Balance as working capital	0.1	0.1	-
Total	13.5	11.2	2.3

The above utilisations are in accordance with the intended use of the proceeds from the IPO as stated in the Prospectus dated 29 September 2010 except for the SGD1.0 million used for establishing our own distribution and marketing network. Please refer to the announcement made on 15 June 2011 for details.

With the acquisition of additional machinery and auxiliary facilities as announced by the Company on 1 December 2010, the present production capacity of konjac-based processed food products is sufficient to cater to the existing demand. Accordingly, the Board had decided to postpone the utilisation of the remaining allocated IPO proceeds of approximately SGD1.3 million. The Company will make a separate announcement when it is materially disbursed.

19. Certain adjustments and reclassifications have been made to the statement of financial position for the Company and the Group, consolidated statement of comprehensive income and cash flow statement for the Group for the current period as compared to announcement made on 12 August 2011. Please refer to Appendix for details.

BY ORDER OF THE BOARD

Chen Qiuhai
Executive Chairman and CEO

28 October 2011



Yamada Green Resources Limited

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

Unaudited Financial Statements And Dividend Announcement for Financial Year Ended 30 June 2011

Appendix

Statement of comprehensive income for the group

	3 Months Ended 30 Jun 2011		6 Months Ended 30 Jun 2011		Note
	Announced on 28 Oct 2011	Announced on 12 Aug 2011	Announced on 28 Oct 2011	Announced on 12 Aug 2011	
The Group	RMB'000	RMB'000	RMB'000	RMB'000	
Revenue	54,395	54,614	216,338	218,647	1
Cost of sales	<u>(35,737)</u>	<u>(35,737)</u>	<u>(126,149)</u>	<u>(126,149)</u>	
Gross profit	18,658	18,877	90,189	92,498	
Other operating income	286	286	373	373	
Gain from changes in fair value of biological assets	5,020	-	5,020	-	2
Selling and distribution expenses	(1,886)	(2,104)	(2,469)	(4,777)	1
Administrative expenses	(9,072)	(7,122)	(13,393)	(11,443)	3
Other operating expenses	<u>(1,347)</u>	<u>(1,177)</u>	<u>(3,580)</u>	<u>(3,410)</u>	3
Profit before income tax	11,629	8,760	76,140	73,241	
Income tax expense	<u>(5,113)</u>	<u>(1,528)</u>	<u>(6,578)</u>	<u>(2,876)</u>	3
Profit after income tax	6,516	7,232	69,562	70,365	
<i>Other comprehensive income, net of tax</i>					
Foreign currency translation	<u>830</u>	<u>827</u>	<u>2,107</u>	<u>2,104</u>	3
Total comprehensive income for the financial period	<u>7,346</u>	<u>8,059</u>	<u>71,669</u>	<u>72,469</u>	

Statement of financial position for the issuer and group as at 30 June 2011

	The Group		The Company		Note
	Announced on 28 Oct 2011 RMB'000	Announced on 12 Aug 2011 RMB'000	Announced on 28 Oct 2011 RMB'000	Announced on 12 Aug 2011 RMB'000	
Non-current assets					
Property, plant and equipment	18,907	18,907	13	13	
Biological assets ⁽¹⁾	122,950	117,930	-	-	2
Land use rights	44,408	44,408	-	-	
Investments in subsidiaries	-	-	88,686	88,686	
Prepayments	51,256	48,954	-	-	1
	<u>237,521</u>	<u>230,199</u>	<u>88,699</u>	<u>88,699</u>	
Current assets					
Biological assets ⁽²⁾	100	100	-	-	
Inventories	16,619	16,619	-	-	
Trade and other receivables	139,302	141,408	47,066	47,066	1
Cash and bank balances	34,454	34,457	7,649	7,649	3
	<u>190,475</u>	<u>192,584</u>	<u>54,715</u>	<u>54,715</u>	
Less:					
Current liabilities					
Trade and other payables	12,834	10,523	1,378	71	3
Current income tax payable	1,824	1,782	-	-	3
	<u>14,658</u>	<u>12,305</u>	<u>1,378</u>	<u>71</u>	
Net current assets	<u>175,817</u>	<u>180,279</u>	<u>53,337</u>	<u>54,644</u>	
Non-current liability					
Deferred tax liability	(12,079)	(8,419)	-	-	3
Net assets	<u>401,259</u>	<u>402,059</u>	<u>142,036</u>	<u>143,343</u>	
Capital and reserves					
Share capital	135,176	135,176	135,176	135,176	
Share-based payment reserve	2,077	2,077	2,077	2,077	
Statutory reserve	31,396	24,045	-	-	3
Foreign currency translation account	1,372	1,369	4,018	4,016	3
Accumulated profits	231,249	239,392	765	2,074	
Total equity	<u>401,259</u>	<u>402,059</u>	<u>142,036</u>	<u>143,343</u>	

⁽¹⁾This represents eucalyptus trees in plantation forest.

⁽²⁾This represents edible fungus mycelia and synthetic logs held by the Group.

Cash flow statement for the group

The Group	3 Months Ended		Financial Year Ended		Note
	30 Jun 2011		30 Jun 2011		
	Announced on 28 Oct 2011 RMB'000	Announced on 12 Aug 2011 RMB'000	Announced on 28 Oct 2011 RMB'000	Announced on 12 Aug 2011 RMB'000	
Cash flow from operating activities					
Profit before income tax	11,659	8,760	76,140	73,241	3
Adjustments for:					
Depreciation of property, plant and equipment	970	969	1,901	1,900	4
Amortisation of land use rights	294	294	590	590	
Amortisation of biological assets ⁽¹⁾	11,894	9,309	59,805	59,805	1
Amortisation for prepayment	1,828	1,828	2,771	2,771	
Unrealised exchange loss	-	704	-	1,253	3,4
Gain on compensation for expropriated land	(260)	-	(260)	-	4
Gain arising from fair value changes in biological assets ⁽²⁾	(5,020)	-	(5,020)	-	2
Interest income	(26)	(26)	(63)	(63)	
Operating profits before working capital changes	18,754	21,838	135,864	139,497	
Biological assets ⁽²⁾	(100)	(100)	(5,270)	(5,270)	
Inventories	1,557	1,557	(3,305)	(3,305)	
Trade and other receivables	5,557	6,590	(101,871)	(103,423)	1
Trade and other payables	(7,903)	(10,214)	(13,176)	(15,487)	3
Cash generated from operations	20,450	19,671	12,242	12,012	
Interest received	26	26	63	63	
Income taxes paid	(1,348)	(1,348)	(3,797)	(3,797)	
Exchange difference on operating activities	(549)	-	-	-	3,4
Net cash generated from operating activities	18,579	18,349	8,508	8,278	
Cash flow from investing activities					
Purchase of property, plant and equipment	(883)	(883)	(1,862)	(1,862)	
Purchase of biological assets ⁽³⁾	-	-	-	-	
Purchase of land use rights	-	-	-	-	
Compensation received for expropriate land	260	-	260	-	4
Prepayments	(34,687)	(32,383)	(37,094)	(34,790)	1
Exchange difference on investing activities	(1,530)	-	(1,530)	-	3,4
Net cash used in investing activities	(36,840)	(33,266)	(40,226)	(36,652)	

<u>The Group</u>	3 Months Ended 30 Jun 2011		Financial Year Ended 30 Jun 2011		Note
	Announced on 28 Oct 2011 RMB'000	Announced on 12 Aug 2011 RMB'000	Announced on 28 Oct 2011 RMB'000	Announced on 12 Aug 2011 RMB'000	
Cash flow from financing activities					
Payment of dividend	(17,484)	(17,484)	(17,484)	(17,484)	
Exchange difference on financing activities	3,344	-	3,344	-	3,4
Net cash used in financing activities	(14,140)	(17,484)	(14,140)	(17,484)	
Net decrease in cash and bank balances	(32,401)	(32,401)	(45,858)	(45,858)	
Cash and bank balances at beginning of the financial period	67,067	67,067	80,020	80,020	
Effect of foreign exchange rate changes in cash and bank balances	(212)	(209)	292	295	3
Cash and bank balances at end of the financial period	34,454	34,457	34,454	34,457	3

⁽¹⁾This represents edible fungus synthetic logs held by the Group.

⁽²⁾This represents eucalyptus trees in plantation forest.

Note:

- 1. Reclassification of accounts arising from the audit of FY2011.**
- 2. Taken gain from changes in fair value of biological assets into consideration following the change of financial year end.**
- 3. Taken adjustments arising from foreign currency exchange differences, accruals of expenses, provision for incentive bonus for executive chairman and CEO according to the service agreement, and the resultant income tax payable adjustment, deferred tax provision, and transfer from accumulated profits to statutory reserve into consideration.**
- 4. Rounding and reclassification for presentation purpose.**