



## Yamada Green Resources Limited

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

### Unaudited Financial Statements And Dividend Announcement for The First Quarter Ended 30 September 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) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b><u>The Group</u></b>	<b>3 Months Ended</b>		<b>Change %</b>
	<b>30 Sep 2011 RMB'000</b>	<b>30 Sep 2010 RMB'000</b>	
Revenue	<b>33,753</b>	32,748	3.1
Cost of sales	<b>(22,120)</b>	(23,073)	(4.1)
Gross profit	<b>11,633</b>	9,675	20.2
Other operating income	<b>816</b>	355	129.9
Selling and distribution expenses	<b>(2,594)</b>	(730)	255.3
Administrative expenses	<b>(2,870)</b>	(3,373)	(14.9)
Other operating expenses	<b>(927)</b>	(1,666)	(44.4)
Profit before income tax	<b>6,058</b>	4,261	42.2
Income tax expense	<b>(1,849)</b>	(2,120)	(12.8)
Profit after income tax	<b>4,209</b>	2,141	96.6
<i>Other comprehensive income, net of tax</i>			
Foreign currency translation	<b>(520)</b>	276	n/m
Total comprehensive income for the financial period	<b>3,689</b>	2,417	52.6

n/m – not meaningful

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

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

	<b>30 Sep 2011 RMB'000</b>	30 Sep 2010 RMB'000	Change %
Amortisation of land use rights	<b>294</b>	182	61.5
Amortisation of prepayment	<b>952</b>	-	n/m
Depreciation of property, plant and equipment	<b>989</b>	462	114.1
Exchange loss/(gain), net	<b>(759)</b>	88	n/m
Interest income	<b>(34)</b>	-*	n/m
Government grants	-	(355)	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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 Sep 2011 RMB'000</b>	<b>As at 30 Jun 2011 RMB'000</b>	<b>As at 30 Sep 2011 RMB'000</b>	<b>As at 30 Jun 2011 RMB'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	18,164	18,907	11	13
Construction in progress	157	-	-	-
Biological assets <sup>(1)</sup>	122,950	122,950	-	-
Land use rights	44,115	44,408	-	-
Investments in subsidiaries	-	-	83,432	88,686
Prepayments	55,905	51,256	-	-
	<b>241,291</b>	<b>237,521</b>	<b>83,443</b>	<b>88,699</b>
<b>Current assets</b>				
Biological assets <sup>(2)</sup>	100	100	-	-
Inventories	12,935	16,619	-	-
Trade and other receivables	144,264	139,302	47,154	47,066
Cash and bank balances	37,291	34,454	6,928	7,649
	<b>194,590</b>	<b>190,475</b>	<b>54,082</b>	<b>54,715</b>
<b>Less:</b>				
<b>Current liabilities</b>				
Trade and other payables	16,532	12,834	1,281	1,378
Current income tax payable	2,322	1,824	-	-
	<b>18,854</b>	<b>14,658</b>	<b>1,281</b>	<b>1,378</b>
<b>Net current assets</b>	<b>175,736</b>	<b>175,817</b>	<b>52,801</b>	<b>53,337</b>
<b>Non-current liability</b>				
Deferred tax liability	(12,079)	(12,079)	-	-
<b>Net assets</b>	<b>404,948</b>	<b>401,259</b>	<b>136,244</b>	<b>142,036</b>
<b>Capital and reserves</b>				
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	31,385	-	-
Foreign currency translation account	852	1,372	(4,498)	4,018
Accumulated profits	235,458	231,249	3,489	765
<b>Total equity</b>	<b>404,948</b>	<b>401,259</b>	<b>136,244</b>	<b>142,036</b>

<sup>(1)</sup>This represents eucalyptus trees in plantation forest.

<sup>(2)</sup>This represents shiitake mushroom mycelia held by the Group.

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

**Amount repayable in one year or less, or on demand**

As at 30 Sep 2011		As at 30 Jun 2011	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

**Amount repayable after one year**

As at 30 Sep 2011		As at 30 Jun 2011	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

**Details of any collateral**

Not applicable.

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

<b>The Group</b>	<b>3 Months Ended</b>	
	<b>30 Sep 2011</b>	<b>30 Sep 2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flow from operating activities</b>		
Profit before income tax	6,058	4,261
Adjustments for:		
Depreciation of property, plant and equipment	989	462
Amortisation of land use rights	294	182
Amortisation for prepayment	952	-
Interest income	(34)	-*
Operating profits before working capital changes	8,259	4,905
Inventories	3,684	2,596
Trade and other receivables	(3,563)	(182)
Trade and other payables	3,698	(9,702)
Cash (used in)/generated from operations	12,078	(2,383)
Interest received	34	-*
Income taxes paid	(1,351)	(2,106)
Exchange difference on operating activities	-	276
Net cash generated from/(used in) operating activities	10,761	(4,213)
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(248)	(196)
Payment of construction in progress	(157)	-
Prepayments	(7,000)	-
Exchange difference on investing activities	7,997	-
Net cash generated from/(used in) investing activities	592	(196)
<b>Cash flow from financing activities</b>		
Issue of new shares	-	13,660
Exchange difference on financing activities	(7,473)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(7,473)</b>	<b>13,660</b>
Net change in cash and bank balances	3,880	9,251
Cash and bank balances at beginning of the financial period	34,454	7,383
Effect of foreign exchange rate changes in cash and bank balances	(1,043)	-
Cash and bank balances at end of the financial period	37,291	16,634

\*Denotes amount less than RMB1,000

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>The Group</u>	Share capital RMB'000	Merger reserve RMB'000	Foreign currency translation account RMB'000	Statutory Reserve RMB'000	Accumulated profits RMB'000	Total equity RMB'000
<b>Balance as at 01.01.2010</b>	42,095	-	-	13,530	93,686	149,311
Adjustments arising from Group restructuring	(42,095)	-	-	(13,530)	(93,686)	(149,311)
Issue of new shares	55,755	-	-	-	-	55,755
Merger reserve	-	107,216	-	-	-	107,216
Total comprehensive income for the financial year	-	-	276	-	62,331	62,607
<b>Balance as at 30.09.2010</b>	<u>55,755</u>	<u>107,216</u>	<u>276</u>	<u>-</u>	<u>62,331</u>	<u>225,578</u>
<u>The Group</u>	Share capital RMB'000	Share-based payment reserve RMB'000	Foreign currency translation account RMB'000	Statutory Reserve RMB'000	Accumulated profits RMB'000	Total equity RMB'000
<b>Balance as at 01.07.2011</b>	135,176	2,077	1,372	31,385	231,249	401,259
Total comprehensive income for the financial period	-	-	(520)	-	4,209	3,689
<b>Balance as at 30.09.2011</b>	<u>135,176</u>	<u>2,077</u>	<u>852</u>	<u>31,385</u>	<u>235,458</u>	<u>404,948</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 profit RMB'000	Total equity RMB'000
<b>Balance at incorporation date</b>	-*	-	-	-	-*
Issue of new shares	55,755	-	-	-	55,755
Total comprehensive income for the financial period	-	-	276	(594)	(318)
<b>Balance as at 30.09.2010</b>	<u>55,755</u>	<u>-</u>	<u>276</u>	<u>(594)</u>	<u>55,437</u>
<b>Balance as at 01.07.2011</b>	135,176	2,077	4,018	765	142,036
Total comprehensive income/(loss) for the financial period	-	-	(8,516)	2,724	(5,792)
<b>Balance as at 30.09.2011</b>	<u>135,176</u>	<u>2,077</u>	<u>(4,498)</u>	<u>3,489</u>	<u>136,244</u>

\*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 September 2011 and 30 September 2010.

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

	<b>As at 30 Sep 2011</b>	As at 30 Jun 2011
Total number of issued shares (excluding treasury shares)	<b>406,595,175</b>	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 30 June 2011 except for the valuation of biological assets which will be undertaken at the end of financial year.

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

Not applicable.



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

<b><u>The Group</u></b>	<b>3 Months Ended</b>	
	<b>30 Sep 2011</b>	<b>30 Sep 2010</b>
Net profit after tax attributable to equity holders of the Company (RMB'000)	<b>4,209</b>	2,141
Number of ordinary shares ('000)	<b>406,595</b>	331,683
Earnings per share (RMB cents) -basic/fully diluted	<b>1.0</b>	0.6

The Company had no dilutive equity instruments as at 30 September 2011 and 30 September 2010. Therefore, the fully diluted earnings per share for the period ended 30 September 2011 and 30 September 2010 were the same as the basis earnings per shares for the period ended 30 September 2011 and 30 September 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 period ended 30 September 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 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 30 September 2010 computed above is based on the Company's pre-Invitation share capital of 331,683,218 ordinary shares.

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

<b><u>The Group</u></b>	<b>As at 30 Sep 2011</b>	<b>As at 30 Jun 2011</b>
Net asset value per share (RMB cents)	<b>99.6</b>	98.7
Number of ordinary shares ('000)	<b>406,595</b>	406,595
<b><u>The Company</u></b>	<b>As at 30 Sep 2011</b>	<b>As at 30 Jun 2011</b>
Net asset value per share (RMB cents)	<b>33.5</b>	35.3
Number of ordinary shares ('000)	<b>406,595</b>	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 first quarter ended 30 September 2011 ("1Q2012")**

#### **Revenue**

Our revenue remained relatively stable at approximately RMB33.8 million in 1Q2012 as compared with approximately RMB32.7 million in the three months ended 30 September 2010 ("1Q2011").

During the three months ended 30 September each year, our revenue is solely generated from sales of processed food products which we sold to both overseas and domestic PRC market. The demand for our processed foods products such as dried mushrooms, water-boiled/dried vegetables and konjac-based dietary fibre food products (mainly convenience food products) remained relatively constant in 1Q2012.

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

Our gross profit increased by approximately RMB1.9 million or 20.2%, from RMB9.7 million in 1Q2011 to RMB11.6 million in 1Q2012 resulted from the increase in our revenue and improved gross profit margin.

The gross profit margin increased from approximately 29.5% in 1Q2011 to approximately 34.5% in 1Q2012 as a result of rising average selling price and easing raw material costs of processed food products. The raw material costs of our processed food products, in particular, dried shiitake mushrooms and bamboo shoots have been declining gradually from their peak in November 2010.

#### **Other operating income**

Other operating income of approximately RMB0.8 million which was mainly unrealised exchange gain on translation of bank balances denominated in RMB into Singapore Dollar as a result of appreciation in RMB during the period from July 2011 to September 2011.

#### **Operating expenses**

Selling and distribution expenses increased by approximately RMB1.9 million or 255.3%, from approximately RMB0.7 million in 1Q2011 to approximately RMB2.6 million in 1Q2012. This was mainly due to increase in advertisement costs relating to our new konjac-based fibre food products and expenses to engage a brand consulting firm for branding, repositioning and marketing our konjac-based dietary fibre food products in PRC market.

Administrative expenses decreased by approximately RMB0.5 million or 14.9%, from approximately RMB3.4 million in 1Q2011 to approximately RMB2.9 million in 1Q2012. This was mainly due to higher expenses relating to the preparation of our initial public offering exercise incurred in 1Q2011, which was one-off in nature.

Other operating expenses decreased by approximately RMB0.8 million or 44.4%, from RMB1.7 million in 1Q2011 to RMB0.9 million in 1Q2012. This was mainly due to the decrease in the maintenance cost of eucalyptus trees in our plantation forest as the

eucalyptus trees require less maintenance and fertilizer when they grow to 4 years and above.

#### **Income tax expenses**

Our income tax expense decreased by approximately RMB0.3 million or 12.8%, from approximately RMB2.1 million in 1Q2011 to approximately RMB1.8 million in 1Q2012. Our subsidiary, Wangcheng, is subject to the Enterprise Income Tax at the rate of 25.0% and our subsidiary, Yuanwang, is subject to the rate of 12.5% after concession of 50% reduction of Enterprise Income Tax rate of 25.0%.

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

The resulting comprehensive income for the quarter under review increased by approximately RMB1.3 million or 52.6%, from approximately RMB2.4 million in 1Q2011 to approximately RMB3.7 million in 1Q2012.

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

Our non-current assets increased by approximately RMB3.8 million or 1.6%, from RMB237.5 million as at 30 June 2011 to RMB241.3 million as at 30 September 2011. The increase was mainly due to the 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. The increase was partially offset by the amortisation and depreciation of non-current assets.

Our current assets increased by RMB4.1 million or 2.2%, from RMB190.5 million as at 30 June 2011 to RMB194.6 million as at 30 September 2011. The increase was mainly due to 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. Our inventories decreased by approximately RMB3.7 million and cash and bank balances increased by approximately RMB2.8 million.

Our current liabilities increased by approximately RMB4.2 million or 28.6%, from approximately RMB14.7 million as at 30 June 2011 to approximately RMB18.9 million as at 30 September 2011. This was mainly due to advance payment received from our customers of self-cultivated shiitake mushrooms.

Our capital and reserves increased by approximately RMB3.6 million or 0.9% from RMB401.3 million as at 30 June 2011 to RMB404.9 million as at 30 September 2011 mainly due to the retention of net profit in 1Q2012.

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

In 1Q2012, net cash generated from operating activities amounted to approximately RMB10.8 million. This was mainly generated from our operating profits before changes in working capital of approximately RMB8.3 million and better management of working capital. Cash inflows were mainly due to decrease in inventories of approximately RMB3.7 million and increase in trade and other payables of approximately RMB3.7 million. Cash outflows were mainly due to increase in advances to suppliers for the purchase of material costs of synthetic logs of approximately RMB3.6 million and income taxes payment of approximately RMB1.4 million.

Net cash of approximately RMB7.4 million used in investing activities was mainly for the payment of grant amounted to RMB7.0 million towards sales and marketing costs to our newly appointed self-cultivated shiitake mushrooms distribution outlets in the PRC. The remaining was used for the purchase of property, plant and equipment and progressive payment of construction cost for our new factory and office building at our subsidiary, Fuzhou Wangcheng Foods Development Co., Ltd. Translation gain arising from investing

activities was approximately RMB8.0 million as a result of appreciation of RMB against Singapore dollar during the financial period under review.

There were no financing activities in 1Q2011. However, translation loss arising from financing activities by translating the reserves from Singapore dollars into RMB presentation currency was approximately RMB7.5 million as a result of appreciation of RMB against Singapore dollar during the financial period under review.

**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 full year FY2011 results announcement released on 28 October 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.**

Domestic demand for the Group's key products, such as edible fungi and konjac-based dietary fibre food products trends upward on the back of rising disposable income in PRC as well as higher consumption in green and healthy foods. According to the report from Department of Agriculture Fujian Province, forecast for demand of fresh shiitake mushrooms in PRC for 2011 and 2012 will increase to 1.59 million tonnes and 1.82 million tonnes respectively.

Since June 2011, the Group has achieved its target by doubling shiitake mushrooms cultivation bases to approximately 5,134 mu 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 are currently used for cultivation of shiitake mushrooms for the harvest season between late September 2011 and April 2012.

Yamada endeavors to expand its sales network outside Fujian Province. The Group has set up 12 fresh shiitake mushrooms distribution outlets, mostly in Jiangsu, Zhejiang, Shanghai and Guangdong Province 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.

From FY2013 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 execute 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 to produce the synthetic logs for cultivation of edible fungi.

Barring unforeseen circumstances, the Group remains optimistic about its performance in 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 ended 30 September 2011.

**13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There has been no interested person transactions during the three months ended 30 September 2011. No IPT mandate has been obtained from shareholders.

**14. NEGATIVE CONFIRMATION PURSUANT TO RULE 705(5)**

The Board of Directors of Yamada Green Resources Limited (the "Company"), do hereby confirm that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 30 September 2011 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Chen Qiu hai**  
**Executive Chairman and CEO**

11 November 2011