


**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 2015**
**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>The Group</b>	<b>3 Months Ended</b>		<b>Change</b>
	<b>30 Sep 2015</b>	<b>30 Sep 2014</b>	
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
Revenue	<b>55,218</b>	55,955	(1.3)
Cost of sales	<b>(41,099)</b>	(37,829)	8.6
Gross profit	<b>14,119</b>	18,126	(22.1)
<i>Gross profit margin</i>	<b>25.6%</b>	32.4%	(6.8) ppt
<i>Other items of income</i>			
Interest income	<b>20</b>	13	53.8
Other income	<b>881</b>	199	342.7
<i>Other items of expenses</i>			
Selling and distribution expenses	<b>(757)</b>	(792)	(4.4)
Administrative expenses	<b>(7,675)</b>	(7,921)	(3.1)
Other operating expenses	<b>(1,368)</b>	(1,819)	(24.8)
Finance cost	<b>(552)</b>	(488)	13.1
Profit before income tax	<b>4,668</b>	7,318	(36.2)
Income tax expense	<b>(1,593)</b>	(2,511)	(36.6)
Profit for the financial period, representing total comprehensive income for the financial period	<b>3,075</b>	4,807	(36.0)
<i>Profit attributable to:</i>			
Owners of the Company	<b>3,075</b>	4,807	(36.0)
<i>Total comprehensive income attributable to:</i>			
Owners of the Company	<b>3,075</b>	4,807	(36.0)

- 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>3 Months Ended</b>		<b>Change %</b>
	<b>30 Sep 2015 RMB'000</b>	<b>30 Sep 2014 RMB'000</b>	
Amortisation of land use rights	<b>135</b>	671	(79.9)
Amortisation of prepayments	<b>13,759</b>	3,037	353.0
Depreciation of property, plant and equipment	<b>2,509</b>	2,326	7.9
Exchange (gain)/loss, net	<b>(256)</b>	563	n/m
Gain on disposal of property, plant and equipment	-	(2)	n/m
Government grants	<b>(215)</b>	(50)	330.0
Interest income	<b>(20)</b>	(13)	53.8
Interest expenses on bank loans	<b>552</b>	488	13.1

n/m – not meaningful

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

	<b>As at 30 Sep 2015 RMB'000</b>	As at 30 Jun 2015 RMB'000	<b>As at 30 Sep 2015 RMB'000</b>	As at 30 Jun 2015 RMB'000
<b>Non-current assets</b>				
Property, plant and equipment	178,578	179,471	14	7
Biological assets <sup>(1)</sup>	171,585	171,585	-	-
Land use rights	24,421	24,557	-	-
Investments in subsidiaries	-	-	117,266	117,266
Prepayments	340,523	343,244	-	-
Deferred tax assets	2,005	2,005	-	-
	<u>717,112</u>	<u>720,862</u>	<u>117,280</u>	<u>117,273</u>
<b>Current assets</b>				
Biological assets <sup>(2)</sup>	6,858	6,858	-	-
Inventories	13,861	16,424	-	-
Trade receivables	24,218	16,312	-	-
Other receivables	157,780	151,384	107,308	108,054
Tax recoverables	63	63	-	-
Cash and bank balances	98,683	27,440	84,593	4,501
	<u>301,463</u>	<u>218,481</u>	<u>191,901</u>	<u>112,555</u>
<b>Less:</b>				
<b>Current liabilities</b>				
Bank borrowings	42,000	42,000	-	-
Trade and other payables	14,008	16,203	772	977
Current income tax payable	2,012	3,916	525	525
	<u>58,020</u>	<u>62,119</u>	<u>1,297</u>	<u>1,502</u>
<b>Net current assets</b>	<u>243,443</u>	<u>156,362</u>	<u>190,604</u>	<u>111,053</u>
<b>Non-current liability</b>				
Deferred tax liability	<u>3,711</u>	<u>3,711</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>	<u>956,844</u>	<u>873,513</u>	<u>307,884</u>	<u>228,326</u>
<b>Capital and reserves</b>				
Share capital	301,346	221,090	301,346	221,090
Share-based payment reserve	2,016	2,016	2,016	2,016
Statutory reserve	65,338	65,338	-	-
Accumulated profits	<u>588,144</u>	<u>585,069</u>	<u>4,522</u>	<u>5,220</u>
<b>Total equity</b>	<u>956,844</u>	<u>873,513</u>	<u>307,884</u>	<u>228,326</u>

<sup>(1)</sup>This represents eucalyptus trees, moso bamboo trees and bamboo shoots in the plantations.

<sup>(2)</sup>This represents synthetic logs and mycelia of edible fungi held by the Group.

**(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 30 September 2015		As at 30 September 2014	
Secured	Unsecured	Secured	Unsecured
RMB42,000,000	Nil	RMB30,000,000	Nil

**Amount repayable after one year**

As at 30 September 2015		As at 30 September 2014	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

**Details of any collateral**

The Company's wholly-owned subsidiary, Wangcheng Foods Development Co., Ltd. ("Wangcheng"), has credit facilities (the "Facilities") up to an aggregate principal amount of RMB42 million granted by China Everbright Bank and Postal Savings Bank of China (the "Banks").

Wangcheng has pledged its buildings and land use rights as collateral for the Facilities in favour of the Banks. The Executive Chairman and Chief Executive Officer (the "CEO") of the Company provided a personal guarantor for payment of all monies and liabilities owing by Wangcheng to China Everbright Bank, including but not limited to, payment of all monies owing or payable (whether actual or contingent) to the bank with respect to the facility offered by the bank. In addition, the CEO and his wife have jointly and severally provided a personal guarantor for the facility offered by Postal Savings Bank of China.

As at 30 September 2015, Wangcheng has drawn down an aggregate amount of RMB42 million granted by the Banks for general working capital purposes. The loans are repayable within 1 year.

**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><u>The Group</u></b>	<b>30 Sep 2015</b>	30 Sep 2014
	<b>RMB'000</b>	RMB'000
<b>Cash flow from operating activities</b>		
Profit before income tax	4,668	7,318
<i>Adjustments for:</i>		
Depreciation	2,509	2,326
Amortisation of land use rights	135	671
Amortisation of prepayments	13,759	3,037
Gain on disposal of property, plant and machinery	-	(2)
Interest income	(20)	(13)
Interest expenses	552	488
Operating profits before working capital changes	<u>21,603</u>	13,825
<i>Working capital changes:</i>		
Inventories	2,562	946
Trade and other receivables	(34,614)	(11,050)
Trade and other payables	(2,194)	(6,051)
Cash used in operations	<u>(12,643)</u>	(2,330)
Interest received	20	13
Income taxes paid	(3,496)	(3,715)
<b>Net cash used in operating activities</b>	<u>(16,119)</u>	(6,032)
<b>Cash flow used in investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	14
Prepaid lease of bamboo plantations	(3,470)	-
Purchase of property, plant and equipment	(1,616)	(9,087)
Proceeds from termination of prepaid lease of mushroom farmlands	12,744	-
<b>Net cash generated from/ (used in) investing activities</b>	<u>7,658</u>	(9,073)
<b>Cash flow from financing activities</b>		
Issue of ordinary shares <sup>(1)</sup>	80,256	27,639
Proceeds from bank borrowings	17,000	-
Repayments of bank borrowings	(17,000)	-
Interest paid	(552)	(488)
<b>Net cash generated from financing activities</b>	<u>79,704</u>	27,151
<b>Net increase in cash and bank balances</b>	71,243	12,046
<b>Cash and bank balances at beginning of the financial period</b>	<u>27,440</u>	21,591
<b>Cash and bank balances at end of the financial period</b>	<u><u>98,683</u></u>	<u><u>33,637</u></u>

<sup>(1)</sup>This represents 270,333,587 right shares allotted and issued on 18 September 2015.

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

<u>The Group</u>	← Attributable to owners of the Company →				Total equity RMB'000
	Share capital	Share- based payment reserve	Statutory reserve	Accumulated profits	
	RMB'000	RMB'000	RMB'000	RMB'000	
Balance as at 01.07.2015	221,090	2,016	65,338	585,069	873,513
<b><u>Contributions by and distributions to owners of the Company</u></b>					
Issue of ordinary shares	80,256	-	-	-	80,256
<b>Total contributions by and distributions to owners of the Company</b>	<b>80,256</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,256</b>
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	3,075	3,075
<b>Balance as at 30.09.2015</b>	<b>301,346</b>	<b>2,016</b>	<b>65,338</b>	<b>588,144</b>	<b>956,844</b>
Balance as at 01.07.2014	190,471	4,995	59,306	511,282	766,054
<b><u>Contributions by and distributions to owners of the Company</u></b>					
Issue of ordinary shares	27,639	-	-	-	27,639
<b>Total contributions by and distributions to owners of the Company</b>	<b>27,639</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,639</b>
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	4,807	4,807
<b>Balance as at 30.09.2014</b>	<b>218,110</b>	<b>4,995</b>	<b>59,306</b>	<b>516,089</b>	<b>798,500</b>

<u>The Company</u>	Share capital RMB'000	Share-based payment reserve RMB'000	Accumulated profits RMB'000	Total equity RMB'000
<b>Balance as at 01.07.2015</b>	<b>221,090</b>	<b>2,016</b>	<b>5,220</b>	<b>228,326</b>
<b><u>Contributions by and distributions to owners of the Company</u></b>				
Issue of ordinary shares	<b>80,256</b>	-	-	<b>80,256</b>
<b>Total contributions by and distributions to owners of the Company</b>	<b>80,256</b>	-	-	<b>80,256</b>
Profit for the financial period, representing total comprehensive income for the financial period	-	-	<b>(698)</b>	<b>(698)</b>
<b>Balance as at 30.09.2015</b>	<b>301,346</b>	<b>2,016</b>	<b>4,522</b>	<b>307,884</b>
<b>Balance as at 01.07.2014</b>	190,471	4,995	6,625	202,091
<b><u>Contributions by and distributions to owners of the Company</u></b>				
Issue of ordinary shares	27,639	-	-	27,639
<b>Total contributions by and distributions to owners of the Company</b>	27,639	-	-	27,639
Profit for the financial period, representing total comprehensive income for the financial period	-	-	<b>(1,157)</b>	<b>(1,157)</b>
<b>Balance as at 30.09.2014</b>	<b>218,110</b>	<b>4,995</b>	<b>5,468</b>	<b>228,573</b>

- 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.**

During the financial period, the Company has allotted and issued 270,333,587 new ordinary shares at S\$0.07 each pursuant to a renounceable underwritten rights issue on the basis of one rights share for every two existing ordinary shares held by the shareholders of the Company.

On 21 September 2015, the new ordinary shares have been listed and quoted on the Singapore Exchange Securities Trading Limited and rank pari passu in all respects with the existing shares of the Company. Pursuant to the above mentioned issue and allotment of the rights shares, the number of issued and paid-up shares in the capital of the Company increased from 540,667,175 ordinary shares to 811,000,762 ordinary shares.

There were no outstanding convertibles or treasury shares held as at 30 September 2015 and 30 September 2014.

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

Total number of issued shares (excluding treasury shares)

As at 30 June 2015	540,667,175
Issue of ordinary shares	<u>270,333,587</u>
<b>As at 30 September 2015</b>	<b><u>811,000,762</u></b>

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

Not applicable.

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

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

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

Not applicable.

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

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements for the financial year ended 30 June 2015 except for the valuation of biological assets, fair value of share-based payment reserves, deferred tax assets and provision for deferred tax which will be undertaken at the end of financial year.



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

Not applicable.

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

<b><u>The Group</u></b>	<b>3 Months Ended</b>	
	<b>30 Sep 2015</b>	<b>30 Sep 2014</b>
Earnings per share (RMB cents)		
- <i>basic</i>	<b>0.47</b>	0.79
- <i>diluted</i>	<b>0.47</b>	0.79
Weighted average number of ordinary shares ('000) - <i>basic</i>	<b>657,899</b>	606,313
Weighted average number of ordinary shares ('000) - <i>diluted</i>	<b>657,899</b>	606,313

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

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

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 2015</b>	As at 30 Jun 2015
Net asset value per share (RMB cents)	<b>117.98</b>	161.6
Number of ordinary shares ('000)	<b>811,001</b>	540,667
<b><u>The Company</u></b>	<b>As at 30 Sep 2015</b>	As at 30 Jun 2015
Net asset value per share (RMB cents)	<b>37.96</b>	42.2
Number of ordinary shares ('000)	<b>811,001</b>	540,667

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 2015 ("1Q2016")**

#### **Revenue**

Our revenue declined slightly by approximately RMB0.7 million or 1.3% to approximately RMB55.2 million in 1Q2016, from approximately RMB55.9 million for the quarter ended 30 September 2014 ("1Q2015"). The revenue was derived from sales of processed food products and moso bamboo trees in 1Q2016.

Sales of our moso bamboo trees was approximately RMB15.4 million, increased by approximately RMB9.6 million in 1Q2016 from approximately RMB5.8 million in 1Q2015. There were approximately 32,130 tonnes of moso bamboo trees sold in 1Q2016 compared to 11,360 tonnes in 1Q2015, representing an almost threefold increase. It was mainly attributable to an expansion of our bamboo plantations. During the harvesting season, we harvested moso bamboo trees from approximately 100,845 mu of bamboo plantations in 1Q2016 compared to approximately 33,845 mu in 1Q2015.

Sales of our processed food products was approximately RMB39.8 million in 1Q2016, decreased by approximately RMB10.3 million or 20.6% from approximately RM50.1 million in 1Q2015. This was mainly due to lower domestic sales of processed mushrooms. As a result of increases in cost of raw material and labour of processed mushrooms while the selling price of the processed mushrooms did not increase in tandem, we reduced the production and sales quantity of our processed mushrooms. Furthermore, production volume of the existing konjac-based dietary fibre food products also decreased subsequent to the changes in our production and sales strategy in the domestic market.

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

Our gross profit decreased by approximately RMB4.0 million or 22.1% to approximately RMB14.1 million from approximately RMB18.1 million in 1Q2015.

The overall gross profit margin declined to 25.6% in 1Q2016 from 32.4% in 1Q2015.

The gross profit margin of our bamboo business was 21.6% in 1Q2016 compared to 34.3% in 1Q2015. This was primarily due to increased amortization of the prepaid lease and maintenance costs of plantations incurred in 1Q2016 for the 15,147 mu of bamboo plantations which was newly-leased in June 2015, however, we have not commenced harvesting of moso bamboo trees from these plantations in 1Q2016. As a result, the average production costs of the moso bamboo trees were higher than 1Q2015. During the period, we proceeded with maintenance work on this 15,147 mu of plantations in order to improve the condition of the plantations for cultivation. We expect to commence the harvesting of bamboo shoots from these bamboo plantations in the next quarter of this financial year.

The gross profit margin of our processed food product business segment decreased to 27.1% in 1Q2016 from 32.2% in 1Q2015, mainly due to higher costs of raw materials and labour.

### **Other operating income**

Other operating income of approximately RMB0.9 million mainly comprised of interest income, government subsidies, rental income and other miscellaneous income. The government grants obtained in 1Q2016 were mainly due to subsidizing the construction and improvement of the infrastructure in our subsidiaries. We also received rental income from letting out spare office floors in our subsidiaries. In addition, there was a net foreign currency exchange gain from the US Dollar denominated sales, as a result of appreciation of the US Dollar against Renminbi in 1Q2016.

### **Operating expenses**

Selling and distribution expenses were approximately RMB0.8 million in 1Q2016, remaining nearly unchanged from the same period in the last financial year. The expenses primarily consisted of salary of sales and marketing staff, freight charges, custom duties and payments to distributors of processed food products.

Administrative expenses decreased by approximately RMB0.2 million or 3.1% to approximately RMB7.7 million in 1Q2016, from approximately RMB7.9 million in 1Q2015. It mainly arose from lower amortisation of land use rights during the period due to disposal of land use rights of the eucalyptus plantations in the second quarter of the last financial year. The decrease was partly offset by increases in amortisation of prepaid lease for the eucalyptus plantations and depreciation of property, plants and equipments.

Other operating expenses decreased by approximately RMB0.4 million or 24.8%, to approximately RMB1.4 million in 1Q2016 from approximately RMB1.8 million in 1Q2015. It was primarily as a result of a decrease in foreign currency exchange loss in 1Q2016 as we benefited from appreciation of the US Dollar against Renminbi.

### **Finance cost**

Finance cost rose from approximately RMB0.5 million to approximately RMB0.6 million in 1Q2016. It was mostly due to higher bank borrowings of RMB42.0 million in 1Q2016 compared to RMB30.0 million in 1Q2015.

### **Income tax expenses**

Our income tax expense was approximately RMB1.6 million in 1Q2016 compared to approximately RMB2.5 million in 1Q2015. Our subsidiaries, Wangcheng and Yuanwang, are subject to the Enterprise Income Tax at the rate of 25%. Our cultivation business segment is exempted from the Enterprise Income Tax and the value-added tax.

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

Total comprehensive income for the period under review decreased by approximately RMB1.7 million to approximately RMB3.1 million in 1Q2016, from approximately RMB4.8 million in 1Q2015. The decrease was mainly due to lower sales and profit margin during the current financial period.

### **STATEMENT OF FINANCIAL POSITION**

Our non-current assets decreased by approximately RMB3.8 million or 0.5% to RMB717.1 million as at 30 September 2015, from RMB720.9 million as at 30 June 2015. The decrease was mainly due to amortisation and depreciation of non-current assets incurred in 1Q2016.

Our current assets increased by approximately RMB83.0 million or 38.0% to RMB301.5 million as at 30 September 2015, from RMB218.5 million as at 30 June 2015. It was mostly attributable to an increase in cash and bank balances subsequent to net proceeds of

approximately RMB80.3 million received from our rights issue. The trade and other receivables also increased as a result of higher sales of moso bamboo trees as well as increased advances to suppliers of raw materials. Overall increase was partly offset by a decrease in inventories.

Our current liabilities decreased by approximately RMB4.1 million or 6.6% to approximately RMB58.0 million as at 30 September 2015, from approximately RMB62.1 million as at 30 June 2015. The decrease mainly arose from reduced trade payables and income tax payable.

Our capital and reserves increased by approximately RMB83.3 million or 9.5%, from RMB873.5 million as at 30 June 2015 to RMB956.8 million as at 30 September 2015, mainly as a result of the issue of new ordinary shares, subsequent to the rights issue which was completed in 1Q2016, and retention of net profits.

## **STATEMENT OF CASH FLOWS**

### **1Q2016**

For the three months ended 30 September 2015, we recorded net cash used in operating activities of approximately RMB16.1 million. This comprised of cash generated from operating activities before changes in working capital of RMB21.6 million, working capital outflow of RMB34.2 million, and net cash outflow amounting to RMB3.5 million from interest income received and income tax paid.

The net working capital outflow mainly arose from an increase in trade receivables from our cultivation business segment, additional prepayments for maintenance of our bamboo plantations and increased advances to suppliers of raw materials of our processed food products.

Net cash inflow of approximately RMB7.7 million was generated from investing activities, mainly including a refund of prepaid lease received from termination of 2,158 mu of mushroom farmland in June 2015. The cash inflow was partly offset by an additional payment of prepaid lease for the bamboo plantations of 15,147 mu and increased investment in property, plant and equipment.

Net cash flow generated from financing activities was RMB79.7 million in 1Q2016. It was mainly due to net proceeds of RMB80.3 million received from the rights issue which was completed in 1Q2016. The amount was partly offset by interest expenses of approximately RMB0.6 million paid for bank borrowings.

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

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Despite moderating economic growth in China as well as the volatile global economic landscape, we will continue to strengthen our core business in line with our comprehensive business growth strategy.

After the expansion of our bamboo plantations, we currently operate 115,992 mu\* of bamboo plantations. We expect to harvest bamboo shoots from these bamboo plantations

from the second quarter until the fourth quarter in this financial year. Therefore, the yield from our bamboo plantations in FY2016 is expected to be higher than previous years.

We are also in the process of adjusting our production and domestic sales and marketing plan as part of our business development strategy. We have reduced the production volume of existing low margin processed food products and aim to launch new konjac-based convenience food products in the near future. Furthermore, we will continue to improve consumer brand awareness of our products and expand the sales and distribution network in this business segment.

Barring unforeseen circumstances and global unstable economic environment, the Group remains cautiously optimistic about its performance for FY2016.

\*1 mu is equivalent to approximately 667 square metres

**11. Dividend**

**(a) Current Financial Period Reported On**

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

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

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

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

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

Not applicable

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

There has been no interested person transactions during the three months and financial period ended 30 September 2015. The Group does not have a general mandate pursuant to Rule 920(1)(a)(ii).

**14. Update of Use of Proceeds of Rights Issue.**

The net proceeds from the rights issue amounting to approximately RMB80.3 million have not been utilised as at the date of this announcement.

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

The Board of Directors of Yamada Green Resources Limited (the "Company"), do hereby confirm that, to the best of its knowledge, nothing has come to the attention of the Board of

Directors of the Company which may render the financial statements for the first quarter ended 30 September 2015 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Chen Qihai**  
**Executive Chairman and CEO**

30 October 2015