



Unaudited Financial Statements And Dividend Announcement For The First Quarter Ended 30 September 2016

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.

<u>The Group</u>	3 Months Ended		Change %
	30 Sep 2016 RMB'000	30 Sep 2015 RMB'000	
Revenue	42,349	55,218	(23.3)
Cost of sales	(29,289)	(41,099)	(28.7)
Gross profit	13,060	14,119	(7.5)
<i>Gross profit margin</i>	30.8%	25.6%	5.2 ppt
<i>Other items of income</i>			
Interest income	14	20	(30.0)
Other income	550	881	(37.6)
<i>Other items of expenses</i>			
Selling and distribution expenses	(3,530)	(757)	366.3
Administrative expenses	(6,911)	(7,675)	(9.9)
Other operating expenses	(856)	(1,368)	(37.4)
Finance cost	(34)	(552)	(93.8)
Share of results of associate	143	-	n/m
Profit before income tax	2,436	4,668	(47.8)
Income tax expense	(1,930)	(1,593)	21.2
Profit for the financial period	506	3,075	(83.5)
Other comprehensive income	-	-	
Total comprehensive income for the financial period	506	3,075	(83.5)
<i>Profit attributable to:</i>			
Owners of the company	506	3,075	(83.5)
<i>Total comprehensive income attributable to:</i>			
Owners of the company	506	3,075	(83.5)

- 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
	30 Sep 2016	30 Sep 2015	
	RMB'000	RMB'000	%
Amortisation of land use rights	135	135	-
Amortisation of prepayments	5,604	13,759	(59.2)
Depreciation of property, plant and equipment	1,903	2,509	(24.2)
Depreciation of investment properties	403	-	n/m
Exchange (gain)/loss, net	(18)	(256)	(93.0)
Interest income	(14)	(20)	(30.0)
Interest expenses on bank loan	34	552	(93.8)
Government grants	-	(215)	n/m
Rental income	(510)	(299)	70.6

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 Sep 2016 RMB'000	As at 30 Jun 2016 RMB'000	As at 30 Sep 2016 RMB'000	As at 30 Jun 2016 RMB'000
Non-current assets				
Property, plant and equipment	161,493	163,206	8	9
Biological assets ⁽¹⁾	176,932	176,932	-	-
Land use rights	23,879	24,015	-	-
Investment properties	29,953	30,356		
Investments in subsidiaries	-	-	161,909	161,909
Investment in an associate	45,109	44,966	-	-
Intangible assets	2,550	2,700	-	-
Long term deposit	4,679	4,626	4,679	4,626
Prepayments	338,348	341,012	-	-
Deferred tax assets	2,005	2,005	-	-
	784,948	789,818	166,596	166,544
Current assets				
Biological assets ⁽²⁾	7,380	7,380	-	-
Inventories	19,324	15,468	-	-
Trade receivables	31,702	26,370	-	-
Other receivables	168,352	161,131	146,360	136,421
Tax recoverable	63	63	-	-
Cash and bank balances	26,938	11,143	16,239	6,292
	253,759	221,555	162,599	142,713
Less:				
Current liabilities				
Trade and other payables	21,726	14,614	832	1,036
Bank borrowings	1,439	1,512	439	512
Current income tax payable	2,646	3,635	735	735
	25,811	19,761	2,006	2,283
Net current assets	227,948	201,794	160,593	140,430
Non-current liability				
Bank borrowings	1,857	1,943	1,857	1,943
Deferred tax liability	3,711	3,711	-	-
	5,568	5,654	1,857	1,943
Net assets	1,007,328	985,958	325,332	305,031
Capital and reserves				
Share capital	322,210	301,346	322,210	301,346
Share-based payment reserve	2,016	2,016	2,016	2,016
Statutory reserve	71,135	71,135	-	-
Accumulated profits/(loss)	611,967	611,461	1,106	1,669
Total equity	1,007,328	985,958	325,332	305,031

⁽¹⁾This represents eucalyptus trees, moso bamboo trees and bamboo shoots owned by the Group.

⁽²⁾This represents synthetic logs of shiitake mushroom 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 2016		As at 30 September 2015	
Secured	Unsecured	Secured	Unsecured
RMB1,439,000	Nil	RMB42,000,000	Nil

Amount repayable after one year

As at 30 September 2016		As at 30 September 2015	
Secured	Unsecured	Secured	Unsecured
RMB1,857,000	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 RMB17 million granted by Postal Savings Bank of China (the "Bank"). Wangcheng has pledged its buildings and land use rights as collateral for the Facilities in favour of the Bank. The Executive Chairman and Chief Executive Officer (the "CEO") of the Company and his wife have jointly and severally provided a personal guarantor for the facility offered by Postal Savings Bank of China.

In addition, the Company has taken a mortgage loan of S\$1,322,154 granted by Hong Leong Finance to finance the acquisition of an office unit in Singapore. The loan tenure is 15 years. As at end of the financial period, the Company has drawn down an aggregate loan amount of S\$495,807.

As at 30 September 2016, the Group's outstanding loan amount was approximately RMB3,296,000 of which RMB1,439,000 are repayable within 1 year and the rest of the loan amount are repayable after 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.

<u>The Group</u>	3 Months Ended	
	30 Sep 2016	30 Sep 2015
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before income tax	2,436	4,668
<i>Adjustments for:</i>		
Depreciation	2,306	2,509
Amortisation of land use rights	135	135
Amortisation of intangible assets	150	-
Amortisation of prepayments	5,604	13,759
Interest income	(14)	(20)
Interest expenses	34	552
Share of results of associate	(143)	-
Operating cash flows before working capital changes	10,508	21,603
<i>Working capital changes:</i>		
Inventories	(3,856)	2,562
Trade and other receivables	(15,546)	(34,614)
Trade and other payables	7,112	(2,194)
Cash generated from operations	(1,782)	(12,643)
Interest received	14	20
Income taxes paid	(2,918)	(3,496)
Net cash used in operating activities	(4,686)	(16,119)

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 (Continue):

<u>The Group</u>	3 Months Ended	
	30 Sep 2016 RMB'000	30 Sep 2015 RMB'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(189)	(1,616)
Proceeds from termination of prepaid lease for mushroom farmland	-	12,744
Prepaid lease for bamboo plantations	-	(3,470)
Net cash (used in)/ generated from investing activities	(189)	7,658
Cash flows from financing activities		
Issue of ordinary shares	20,864	80,256
Proceeds from bank borrowings	-	17,000
Repayments of bank borrowings	(160)	(17,000)
Interest paid	(34)	(552)
Net cash generated from financing activities	20,670	79,704
Net changes in cash and bank balances	15,795	71,243
Cash and bank balances at beginning of the financial period	11,143	27,440
Cash and bank balances at end of the financial period	26,938	98,683

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 parent →				
	Share capital RMB'000	Share-based payment reserve RMB'000	Statutory reserve RMB'000	Accumulated profits RMB'000	Total equity RMB'000
Balance as at 01.07.2016	301,346	2,016	71,135	611,461	985,958
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	506	506
<u>Contributions by and distributions to owners of the Company</u>					
Issue of ordinary shares	20,864	-	-	-	20,864
Total contributions by and distributions to owners of the Company	20,864	-	-	-	20,864
Balance as at 30.09.2016	322,210	2,016	71,135	611,967	1,007,328
Balance as at 01.07.2015	221,090	2,016	65,338	585,069	873,513
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	3,075	3,075
<u>Contributions by and distributions to owners of the Company</u>					
Issue of ordinary shares	80,256	-	-	-	80,256
Total contributions by and distributions to owners of the Company	80,256	-	-	-	80,256
Balance as at 30.09.2015	301,346	2,016	65,338	588,144	956,844

<u>The Company</u>	Share capital RMB'000	Share-based payment reserve RMB'000	Accumulated profits/(losses) RMB'000	Total equity RMB'000
Balance as at 01.07.2016	301,346	2,016	1,669	305,031
Loss for the financial period representing total comprehensive income for the financial period	-	-	(563)	(563)
<u>Contributions by and distributions to owners of the parent</u>				
Issue of ordinary shares	20,864	-	-	20,864
Total contributions by and distributions to owners of the parent	20,864	-	-	20,864
Balance as at 30.09.2016	322,210	2,016	1,106	325,332
Balance as at 01.07.2015	221,090	2,016	5,220	228,326
Loss for the financial period representing total comprehensive income for the financial period	-	-	(698)	(698)
<u>Contributions by and distributions to owners of the parent</u>				
Issue of ordinary shares	80,256	-	-	80,256
Total contributions by and distributions to owners of the parent	80,256	-	-	80,256
Balance as at 30.09.2015	301,346	2,016	4,522	307,884

- 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 completed a placement on 27 July 2016. After the completion of the placement, the company has allotted and issued 14,598,013 new ordinary shares at S\$0.2928 each placement share.

These new 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 issue and allotment of the new ordinary shares, the number of issued and paid-up shares in the capital of the Company increased from 162,200,151 ordinary shares to 176,798,164 ordinary shares.

There were no outstanding convertibles or treasury shares held as at 30 September 2016 and 30 September 2015.

- 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 2016	162,200,151
Issue of ordinary shares	<u>14,598,013</u>
As at 30 September 2016	<u><u>176,798,164</u></u>

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

Not applicable.

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

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

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

Not applicable.

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

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements for the financial year ended 30 June 2016.

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.**

	3 Months Ended	
	30 Sep 2016	30 Sep 2015
<u>The Group</u>		
Earnings per share (RMB cents)		
- <i>basic</i>	0.36	2.34
- <i>diluted</i>	0.36	2.34
Weighted average number of ordinary shares ('000) - <i>basic</i>	141,312	131,580
Weighted average number of ordinary shares ('000) - <i>diluted</i>	141,312	131,580

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.

Comparative basic and diluted earnings per share have been adjusted to reflect the effect of share consolidation which was completed in November 2015.

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>	<u>As at 30 Sep 2016</u>	<u>As at 30 Sep 2015</u>
Net asset value per share (RMB cents)	570	117.98
Number of ordinary shares ('000)	176,798	811,001
<u>The Company</u>		
Net asset value per share (RMB cents)	184	37.996
Number of ordinary shares ('000)	176,798	811,001

Number of ordinary shares as at 30 September 2016 had taken into account the share consolidation of 5 existing shares into 1 share which was completed in November 2015.

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 2016("1Q2017")

Revenue

Our revenue declined by approximately RMB12.9 million or 23.3% to approximately RMB42.3 million in 1Q2017, from approximately RMB55.2 million for the quarter ended 30 September 2015 ("1Q2016"). The revenue derived from sales of processed food products and moso bamboo trees in 1Q2017.

Sales of our moso bamboo trees was approximately RMB5.7 million, decreased by approximately RMB9.7 million in 1Q2017 from approximately RMB15.4 million in 1Q2016. There were approximately 12,340 tonnes of moso bamboo trees harvested and sold in 1Q2017 compared to 32,130 tons in 1Q2016. This was primarily due to a smaller order quantity of moso bamboo trees placed by our customers in 1Q2017 based on their needs for the bamboo trees during the period.

Sales of our processed food products was approximately RMB36.6 million in 1Q2017, decreased by approximately RMB3.2 million or 8.0 % from approximately RM39.8 million in 1Q2016. This was mainly because we ceased to produce and sell processed mushrooms in the domestic markets owing to an increase in cost of raw material of processed mushrooms without corresponding increases in the average selling price of the processed mushrooms. On the other hand, we have reallocated part of the production capacity to our new dietary fibre food products since the second half of the last financial year. Sales of the new processed food products accounted for about 10% of the total revenue of the processed food segment in 1Q2017.

Gross profit and gross profit margin

Our gross profit decreased by approximately RMB1.0 million or 7.5% to approximately RMB13.1 million in 1Q2017, from approximately RMB14.1 million in 1Q2016.

The overall gross profit margin rose to 30.8% in 1Q2017 from 25.6% in 1Q2016.

The gross profit margin of our bamboo business remained almost constant at 21.1% in 1Q2017 compared to 21.6% in 1Q2016.

The gross profit margin of our processed food product business segment increased to 32.4% in 1Q2017 from 27.1% in 1Q2016, mainly due to changes in product mix. In addition, we have adjusted our sales and production strategy in local market for our processed food segment that we reduced the production and sales quantity of the low margin products and increased the dietary fibre food products which have higher profit margin.

Other operating income

Other operating income of approximately RMB0.6 million in 1Q2017 comprised of interest income, rental income, foreign currency exchange gain and other miscellaneous income. We received rental income of approximately RMB0.5 million in this quarter from leasing spare space of office and plants in our subsidiaries to external parties. 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 increased to approximately RMB3.5 million in 1Q2017 from RMB0.8 million in 1Q2016. The increase was mainly due to progressive payments made for producing and hosting our e-commerce platform, commission paid to distributors, advertising to publicise our new dietary fibre food products and appointing marketing experts to assist in planning and implementing marketing strategy for the new processed food products.

Administrative expenses decreased by approximately RMB0.8 million or 9.9% to approximately RMB6.9 million in 1Q2017, from approximately RMB7.7 million in 1Q2016. It mainly arose from lower depreciation of mushroom tents in this quarter after the disposal of part of our mushroom tents in the previous year. In addition, there were lower staff costs incurred by our cultivating business of shiitake mushroom after scaling back our mushroom farmland.

Other operating expenses was approximately RMB0.9 million in 1Q2017, decreased by approximately RMB0.5 million or 37.4% from approximately RMB1.4 million in 1Q2016. The expenses was primarily maintenance costs of eucalyptus plantations and other miscellaneous expenses.

Share of results of associate

The Group's share of results of associate for 1Q2017 of approximately RMB0.1 million relates to Fujian Tianwang Foods Co., Limited ("Tianwang"), which we own 45% of its shareholding. Tianwang's source of revenue in 1Q2017 was generated mainly from production and supply of processed vegetables, including processed bamboo shoots

Finance cost

The bank borrowings decreased from RMB42.0 million in 1Q2016 to approximately RMB3.3 million in 1Q2017 after repayments of bank loans. Therefore, the finance cost declined to less than RMB0.1 million in 1Q2017, from approximately RMB0.6 million in 1Q2016.

Income tax expenses

Our income tax expense was approximately RMB1.9 million in 1Q2017 compared to approximately RMB1.6 million in 1Q2016. This was because most of our earnings in 1Q2017 derived from our processed food segment which are subject to the Enterprise Income Tax at the rate of 25%. In 1Q2016, there was higher earnings contributed from our cultivation business segment which is exempt from the Enterprise Income Tax and the value-added tax. The effective tax rate is approximately 79.2% in 1Q2017.

Total comprehensive income for the period

Total comprehensive income for the period under review decreased by approximately RMB2.6 million to approximately RMB0.5 million in 1Q2017, from approximately RMB3.1 million in 1Q2016. The decrease was mainly due to lower sales and higher operating expenses during the current financial period.

STATEMENT OF FINANCIAL POSITION

Our non-current assets decreased by approximately RMB4.9 million or 0.6% to RMB784.9 million as at 30 September 2016, from RMB789.8 million as at 30 June 2016. The decrease was mainly due to amortisation and depreciation of non-current assets incurred in 1Q2017.

Our current assets increased by approximately RMB32.2 million or 14.5% to RMB253.8 million as at 30 September 2016, from RMB221.6 million as at 30 June 2016. It was mostly attributable to an increase in cash and bank balances arising from the net proceeds received from share placement. In addition, the trade and other receivables also increased, mainly as a result of increases in prepaid maintenance costs for bamboo plantations, trade debtors and advances to suppliers of raw materials, including for the acquisition of mushroom synthetic logs. The inventories were also higher in 1Q2017 due to larger quantity of finished goods stored, which will be exported to our Japanese market in the next quarter.

Our current liabilities increased by approximately RMB6.0 million or 30.6% to approximately RMB25.8 million as at 30 September 2016, from approximately RMB19.8 million as at 30 June 2016. The increase mainly arose from increased advances from our customers and higher trade payables.

Our capital and reserves increased by approximately RMB21.4 million or 2.2%, from RMB986.0 million as at 30 June 2016 to approximately RMB1.0 billion as at 30 September 2016, mainly as a result of the issue of new ordinary shares arising from the placement which was completed in July 2016, and retention of net profits.

STATEMENT OF CASH FLOWS

1Q2017

For the three months ended 30 September 2016, we recorded net cash used in operating activities of approximately RMB4.7 million. This comprised of cash generated from operating activities before changes in working capital of RMB10.5 million, working capital outflow of RMB12.3 million, and net cash outflow amounting to RMB2.9 million from interest income received and income tax paid.

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

Net cash of approximately RMB0.2 million was used in investing activities, mainly attributable to increased investment in property, plant and equipment.

Net cash flow generated from financing activities was approximately RMB20.7 million. It was mostly due to the net proceeds received from the share placement which was completed in July 2016. The amount was partly offset by repayments of bank loan and interest expenses 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.

Amid challenging operating environment in China, we will continue to focus on our fundamental business and cautiously proceed with our business development.

Our shiitake mushroom harvesting season will commence in the next quarter, we will harvest shiitake mushrooms from 1,184* mu mushroom farmland. In addition, we expect to continue to harvest bamboo products from our moso bamboo plantations until the fourth quarter of this financial year.

For our processed food segment, we will continue to step up our effort in promoting sales of our konjac-based dietary food products through our e-commerce platform. The e-commerce platform is also utilised as a media to advertise and publicise the products in order to increase consumer awareness.

In the face of slowdown in the economy in China, the management will continue to closely monitor the Group's operations.

*1 mu is equivalent to approximately 667 square metres

11. (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 year ended 30 September 2016. The Group does not have a general mandate pursuant to Rule 920(1)(a)(ii).

14. Update of Use of Proceeds of Share Placement

Net proceeds of approximately RMB20.9 million (approximately S\$4.2 million) was raised from the share placement which was completed in July 2016. Part of the net proceeds amounting to approximately S\$2.0 million had been utilised as announced on 5 October 2016.

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 2016 to be false or misleading in any material aspect.

16. Confirmation that the issue has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

BY ORDER OF THE BOARD
Chen Qiu Hai
Executive Chairman and CEO
28 October 2016