Yamada Green Resources Limited

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

Unaudited Financial Statements And Dividend Announcement for The Third Quarter and Nine Months Ended 31 March 2017

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.

	3 Months Ended			9 Months Ended		
The Group	**31 Mar 2017 RMB'000**	31 Mar 2016 RMB'000	**Change %**	**31 Mar 2017 RMB'000**	31 Mar 2016 RMB'000	**Change %**
Revenue	**80,127**	105,957	(24.4)	**230,893**	276,330	(16.4)
Cost of sales	**(109,400)**	(94,605)	15.6	**(239,653)**	(232,104)	(3.3)
Gross profit/(loss)	**(29,273)**	11,352	n/m	**(8,760)**	44,226	n/m
Gross profit/(loss) margin	***-36.5%***	*10.7%*	n/m	***-3.8%***	*16.0%*	n/m
Other items of income						
Interest income	**4**	20	(80.0)	**29**	73	(60.3)
Other income	**488**	1,573	(69.0)	**3,742**	6,037	(38.0)
Other items of expenses						
Selling and distribution expenses	**(18,493)**	(1,676)	1003.4	**(32,158)**	(3,328)	866.3
Administrative expenses	**(3,676)**	(4,362)	(15.7)	**(18,219)**	(22,597)	(19.4)
Other operating expenses	**(4,996)**	(965)	417.7	**(8,365)**	(3,476)	140.7
Finance cost	**(36)**	(179)	(79.9)	**(104)**	(1,350)	(92.3)
Share of results of associate	**(288)**	3,674	n/m	**(60)**	3,674	n/m
Profit/(loss) before income tax	**(56,270)**	9,437	n/m	**(63,895)**	23,259	n/m
Income tax expense	**(1,807)**	(2,180)	(17.1)	**(7,550)**	(5,492)	37.5
Profit/(loss) for the financial period, representing total comprehensive income/(loss) for the financial period	**(58,077)**	7,257	n/m	**(71,445)**	17,767	n/m
Profit/(loss) attributable to:						
Owners of the Company	**(58,077)**	7,257	n/m	**(71,445)**	17,767	n/m
Total comprehensive income/(loss)attributable to						
Owners of the Company	**(58,077)**	7,257	n/m	**(71,445)**	17,767	n/m

n/m – not meaningful

(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			9 Months Ended		
	31 Mar 2017 RMB'000	31 Mar 2016 RMB'000	**Change %**	**31 Mar 2017 RMB'000**	31 Mar 2016 RMB'000	**Change %**
Amortisation of land use rights	**135**	135	-	**406**	406	-
Amortisation of biological assets [(1)]	**32,890**	30,928	6.3	**59,977**	56,399	6.3
Amortisation of intangible assets	**150**	150	-	**450**	150	200.0
Amortisation of prepayments	**37,344**	39,412	(5.2)	**77,427**	85,122	(9.0)
Depreciation of property, plant and equipment	**1,804**	2,097	(14.0)	**5,459**	6,851	(20.3)
Depreciation of investment properties	**403**	571	(29.4)	**1,208**	1,142	5.8
Exchange gain, net	**(101)**	(143)	(29.4)	**(1,820)**	(3,540)	(48.6)
Interest Income	**(4)**	(20)	(80.0)	**(29)**	(73)	(60.3)
Interest expense on bank loan	**36**	179	(79.9)	**104**	1,350	(92.3)
Government grants	**-**	(2)	n/m	**(303)**	(336)	(9.8)
Rental Income	**(534)**	(318)	67.9	**(1,497)**	(762)	96.5

[(1)]The biological assets represent shiitake mushroom synthetic logs held by the Group.

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 31 Mar 2017 RMB'000	As at 30 Jun 2016 RMB'000	**As at 31 Mar 2017 RMB'000**	As at 30 Jun 2016 RMB'000
Non-current assets				
Property, plant and equipment	**164,749**	163,206	**5**	9
Biological assets[(1)]	**176,932**	176,932	**-**	-
Land use rights	**23,608**	24,015	**-**	-
Investment properties	**29,148**	30,356	**-**	-
Investments in subsidiaries	**-**	-	**163,975**	161,909
Investment in an associate	**44,907**	44,966	**-**	-
Intangible assets	**2,276**	2,700	**26**	-
Prepayments	**323,492**	345,638	**8,154**	4,626
Deferred tax assets	**2,005**	2,005	**-**	-
	767,117	789,818	**172,160**	166,544
Current assets				
Biological assets[(2)]	**4,514**	7,380	**-**	**-**
Inventories	**17,706**	15,468	**-**	**-**
Trade receivables	**45,096**	26,370	**-**	**-**
Other receivables	**126,442**	161,131	**153,639**	136,421
Tax recoverable	**63**	63	**-**	-
Cash and bank balances	**8,903**	11,143	**3,026**	6,292
	202,724	221,555	**156,665**	142,713
Less:				
Current liabilities				
Trade and other payables	**24,365**	14,614	**562**	1,036
Bank borrowings	**570**	1,512	**570**	512
Current income tax payable	**2,437**	3,635	**735**	735
	27,372	19,761	**1,867**	2,283
Net current assets	**175,352**	201,794	**154,798**	140,430
Non-current liability				
Bank borrowings	**4,782**	1,943	**4,782**	1,943
Deferred tax liability	**3,711**	3,711	**-**	-
	8,493	5,654	**4,782**	1,943
Net assets	**933,976**	985,958	**322,176**	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	**73,276**	71,135	**-**	-
Accumulated profits/(loss)	**536,474**	611,461	**(2,050)**	1,669
Total equity	**933,976**	985,958	**322,176**	305,031

[(1)]This item represents eucalyptus trees, moso bamboo trees and bamboo shoots held by the Group.
[(2)]This item represents synthetic logs of shiitake mushroom held by the Group.

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

Amount repayable in one year or less, or on demand

As at 31 March 2017		As at 30 June 2016	
Secured (RMB'000)	**Unsecured**	Secured (RMB'000)	Unsecured
570	**Nil**	1,512	Nil

Amount repayable after one year

As at 31 March 2017		As at 30 June 2016	
Secured (RMB'000)	**Unsecured**	Secured (RMB'000)	Unsecured
4,782	**Nil**	1,943	Nil

Details of any collateral

The Company has taken a mortgage loan of approximately S$1.3 million 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 approximately S$1.2 million.

In the financial period, the Company's wholly-owned subsidiary, Wangcheng Foods Development Co., Ltd made a repayment of bank loan amounting to RMB1 million to the Postal Savings Bank of China. The bank loan was utilised for working capital purposes.

As at 31 March 2017, the Group's total outstanding loan amount was approximately RMB5.3 million of which approximately RMB0.6 million are repayable within 1 year and approximately RMB4.7 million 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.

	3 Months Ended		9 Months Ended	
The Group	**31 Mar 2017**	31 Mar 2016	**31 Mar 2017**	31 Mar 2016
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash flow from operating activities				
Profit/(loss) before income tax	**(56,270)**	9,437	**(63,895)**	23,259
Adjustment for:				
Depreciation of property, plant and equipment	**1,804**	2,097	**5,459**	6,851
Depreciation of investment properties	**403**	571	**1,208**	1,142
Amortisation of land use rights	**135**	135	**406**	406
Amortisation of biological assets [(1)]	**32,890**	30,928	**59,977**	56,399
Amortisation of intangible assets	**150**	150	**450**	150
Amortisation of prepayments	**37,344**	39,412	**77,427**	85,122
Interest income	**(4)**	(20)	**(29)**	(73)
Interest expenses	**36**	179	**104**	1,350
Share of results of associate	**288**	(3,674)	**60**	(3,674)
Operating profits before working capital changes	**16,776**	79,215	**81,167**	170,932
Working capital changes:				
Biological assets[(1)]	**-**	-	**(57,112)**	(53,786)
Inventories	**182**	(3,881)	**(2,237)**	(1,492)
Trade and other receivables	**(9,993)**	(30,318)	**(25,776)**	(76,550)
Trade and other payables	**2,747**	(1,528)	**9,750**	5,331
Cash used in operations	**9,712**	43,488	**5,792**	44,435
Interest received	**4**	20	**29**	73
Income taxes paid	**(3,849)**	(1,719)	**(8,748)**	(6,809)
Net cash generated from/(used in) operating activities	**5,867**	41,789	**(2,927)**	37,699
Cash flow generated from/(used in) investing activities				
Purchase of property, plant and equipment	**(6,807)**	(1,612)	**(7,003)**	(3,865)
Purchase of intangible assets	**-**	(3,000)	**(26)**	(3,000)
Prepayments	**(2,382)**	(41,797)	**(13,539)**	(52,985)
Investment in an associate	**-**	-	**-**	(39,933)
Refund from prepaid lease	**-**	-	**-**	12,744
Net cash generated used in investing activities	**(9,189)**	(46,409)	**(20,568)**	(87,039)

The Group	3 Months Ended		9 Months Ended	
	31 Mar 2017 RMB'000	31 Mar 2016 RMB'000	**31 Mar 2017 RMB'000**	31 Mar 2016 RMB'000
Cash flow generated from/(used in) financing activities				
Issue of ordinary shares	**-**	-	**20,864**	80,256
Proceeds from bank borrowings	**2,091**	5,000	**3,222**	22,000
Repayments of bank borrowings	**(1,073)**	(15,000)	**(1,326)**	(57,000)
Interest paid	**(36)**	(179)	**(104)**	(1,350)
Dividend payment	**-**	-	**(1,401)**	(4,849)
Net cash generated from/(used in) financing activities	**982**	(10,179)	**21,255**	39,057
Net decrease in cash and bank balances	**(2,340)**	(14,799)	**(2,240)**	(10,283)
Cash and bank balances at beginning of the financial period	**11,243**	31,956	**11,143**	27,440
Cash and bank balances at end of the financial period	**8,903**	17,157	**8,903**	17,157

[(1)]This represents shiitake mushroom synthetic logs held by the Group.

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.

	Attributable to owners of the Company				
The Group	**Share Capital**	**Share-based payment reserve**	**Statutory reserve**	**Accumulated profits**	**Total equity**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**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**
Contributions by and distributions to owners of the Company					
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**
Loss for the financial period, representing total comprehensive loss for the financial period	**-**	**-**	**-**	**(13,874)**	**(13,874)**
Contributions by and distributions to owners of the Company					
Transfer to statutory reserve	**-**	**-**	**2,141**	**(2,141)**	**-**
Dividend payment	**-**	**-**	**-**	**(1,401)**	**(1,401)**
Total contributions by and distributions to owners of the Company	**-**	**-**	**2,141**	**(3,542)**	**(1,401)**
Balance as at 31.12.2016	**322,210**	**2,016**	**73,276**	**594,551**	**992,053**

	Attributable to owners of the Company				
The Group	**Share Capital**	**Share-based payment reserve**	**Statutory reserve**	**Accumulated profits**	**Total equity**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Balance as at 31.12.2016	**322,210**	**2,016**	**73,276**	**594,551**	**992,053**
Loss for the financial period, representing total comprehensive loss for the financial period	**-**	**-**	**-**	**(58,077)**	**(58,077)**
Balance as at 31.03.2017	**322,210**	**2,016**	**73,276**	**536,474**	**933,976**

	Attributable to owners of the Company				
The Group	**Share Capital**	**Share-based payment reserve**	**Statutory reserve**	**Accumulated profits**	**Total equity**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
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**
Contributions by and distributions to owners of the Company					
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**
Profit for the financial period, representing total comprehensive income for the financial period	**-**	**-**	**-**	**7,435**	**7,435**
Contributions by and distributions to owners of the Company					
Transfer to statutory reserve	**-**	**-**	**1,990**	**(1,990)**	**-**
Dividend payment	**-**	**-**	**-**	**(4,849)**	**(4,849)**
Total contributions by and distributions to owners of the Company	**-**	**-**	**1,990**	**(6,839)**	**(4,849)**
Balance as at 31.12.2015	**301,346**	**2,016**	**67,328**	**588,740**	**959,430**

	Attributable to owners of the Company				
The Group	**Share Capital**	**Share-based payment reserve**	**Statutory reserve**	**Accumulated profits**	**Total equity**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Balance as at 31.12.2015	**301,346**	**2,016**	**67,328**	**588,740**	**959,430**
Profit for the financial period, representing total comprehensive income for the financial period	**-**	**-**	**-**	**7,257**	**7,257**
Balance as at 31.03.2016	**301,346**	**2,016**	**67,328**	**595,997**	**966,687**

The Company	Share Capital	Share-based payment reserve	Accumulated profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 01.07.2016	**301,346**	**2,016**	**1,669**	**305,031**
Loss for the financial period, representing total comprehensive loss for the financial period	**-**	**-**	**(563)**	**(563)**
Contributions by and distributions to owners of the parent				
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**
Loss for the financial period, representing total comprehensive loss for the financial period	**-**	**-**	**(1,270)**	**(1,270)**
Contributions by and distributions to owners of the parent				
Dividend payment	**-**	**-**	**(1,401)**	**(1,401)**
Total contributions by and distributions to owners of the parent	**-**	**-**	**(1,401)**	**(1,401)**
Balance as at 31.12.2016	**322,210**	**2,016**	**(1,565)**	**322,661**
Loss for the financial period, representing total comprehensive loss for the financial period	**-**	**-**	**(485)**	**(485)**
Balance as at 31.03.2017	**322,210**	**2,016**	**(2,050)**	**322,176**

The Company	Share Capital	Share-based payment reserve	Accumulated profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 01.07.2015	**221,090**	**2,016**	**5,220**	**228,326**
Loss for the financial period, representing total comprehensive loss for the financial period	**-**	**-**	**(698)**	**(698)**
Contributions by and distributions to owners of the parent				
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**
Profit for the financial period, representing total comprehensive income for the financial period	**-**	**-**	**401**	**401**
Contributions by and distributions to owners of the parent				
Dividend payment	**-**	**-**	**(4,849)**	**(4,849)**
Total contributions by and distributions to owners of the parent	**-**	**-**	**(4,849)**	**(4,849)**
Balance as at 31.12.2015	**301,346**	**2,016**	**74**	**303,436**
Loss for the financial period, representing total comprehensive loss for the financial period	**-**	**-**	**(785)**	**(785)**
Balance as at 31.03.2016	**301,346**	**2,016**	**(711)**	**302,651**

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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 31 March 2017 and 31 March 2016.

Save as disclosed above, there have been no bonus or other issues of shares during the period.

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	14,598,013
As at 31 March 2017	176,798,164

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.

1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

During the financial period, there was no transaction pertaining to subsidiary holdings.

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 except for the valuation of biological assets, 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.

	3 Months Ended		9 Months Ended	
	31 Mar 2017	31 Mar 2016	**31 Mar 2017**	31 Mar 2016
The Group				
(Losses)/ earnings per share (RMB cents)				
- *basic*	**-32.8**	5.5	**-40.8**	11.7
- *diluted*	**-32.8**	5.5	**-40.8**	11.7
Weighted average number of ordinary shares ('000) - *basic*	**176,798**	131,580	**175,176**	151,993
Weighted average number of ordinary share ('000) - *diluted*	**176,798**	131,580	**175,176**	151,993

Basic earnings/ losses 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/ losses 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.

The Group	**As at 31 Mar 2017**	As at 30 June 2016
Net asset value per share (RMB cents)	**528.3**	607.9
Number of ordinary shares ('000)	**176,798**	162,200

The Company	**As at 31 Mar 2017**	As at 30 June 2016
Net asset value per share (RMB cents)	**182.2**	188.1
Number of ordinary shares ('000)	**176,798**	162,200

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 third quarter ended 31 March 2017 ("3Q2017")

	3Q2017		9M2017	
	(RMB'million)	%	(RMB'million)	%
Cultivation Segment	33.2	41.4	96.0	41.6
Processed Food Products Segment	46.9	58.6	134.9	58.4
Total Revenue	80.1	100.0	230.9	100.0

Revenue

Our revenue decreased by approximately RMB25.9 million or 24.4%, to approximately RMB80.1 million in 3Q2017 from approximately RMB106.0 million during the same period ended 31 March 2016 ("3Q2016").

Sales from the processed food products business segment increased by approximately RMB14.7 million or 45.7%, to approximately RMB46.9 million in 3Q2017 from approximately RMB32.2 million in 3Q2016. We saw an increase in both local and export sales in 3Q2017, particularly sales of our new dietary fibre food products in the domestic market. The new dietary fibre food products was launched to market in the second half of the last financial year.

Sales from the cultivation business segment was approximately RMB33.2 million in 3Q2017, which decreased by approximately RMB40.5 million or 55.0% from approximately RMB73.7 million in 3Q2016. The cultivation and harvesting of our shiitake mushroom in this quarter was affected by adverse weather conditions, including typhoons that occurred in late 2016 and unfavourable higher weather temperature. As a result, the volume of shiitake mushroom produced from our farmland during the harvesting season was lower compared to the same period of the last financial year. The order quantity of bamboo shoots placed by our customers in 3Q2017 was also smaller compared to the previous period. Additionally, the slowdown in the economy in China, oversupply of bamboo shoots in the local market and the poorer quality of shiitake mushrooms produced in this quarter led to lower average selling prices of our self-cultivated products in 3Q2017 compared to 3Q2016.

Gross profit and gross profit margin

In 3Q2017, there was an overall gross loss of approximately RMB29.3 million and a gross loss margin of approximately 36.5% in 3Q2017, compared to a gross profit of approximately RMB11.4 million and a gross profit margin of approximately 10.7% in 3Q2016. The gross loss incurred in 3Q2017 was mainly due to a loss derived from the cultivation business. An increase in labour costs and lower production volume of the self-cultivated products in 3Q2017 resulted in a higher unit cost of production. In addition, lower market prices of shiitake mushoom and bamboo shoots further impacted our cultivation business in this quarter.

The gross profit margin of our processed food products segment was approximately 29.5% in 3Q2017 , compared to 35.1% in 3Q2016. The variance was primarily due to changes in product mix sold to the Japanese market and promotion price charged on our new dietary fibre food products which was in line with our sales and marketing plan during the period.

Other operating income

Other operating income of approximately RMB0.5 million in 3Q2017 primarily consisted of interest income and rental income received from leasing spare space of office and plants in our subsidiaries to external parties in this quarter. The other operating income in the same period of the last financial year was approximately RMB1.6 million, which mainly included interest income, rental income and foreign currency exchange gain.

Operating expenses

Selling and distribution expenses increased by RMB16.8 million to approximately RMB18.5 million in 3Q2017, from RMB1.7 million in 3Q2016. The increase was mainly due to advertising to publicise our new dietary fibre food products, commission paid to distributors of processed food products, logistic expenses incurred for delivery of goods sold, and appointing marketing experts to assist in planning and implementing sales and marketing strategy for our processed food products.

Administrative expenses decreased by approximately RMB0.7 million or 15.7% to approximately RMB3.7 million in 3Q2017, from approximately RMB4.4 million in 3Q2016. This mainly arose from lower depreciation of mushroom tents in this quarter after the disposal of part of our mushroom tents. Additionally, there were lower staff costs incurred by our cultivating business after scaling back our mushroom farmland.

Other operating expenses increased by approximately RMB4.0 million to approximately RMB5.0 million in 3Q2017, from approximately RMB1.0 million in 3Q2016. This was primarily due to additional payments for maintenance of our eucalyptus plantations which were affected by adverse weather conditions during the winter in 2016.

Finance cost

Finance cost was less than RMB0.1 million in 3Q2017, decreased from approximately RMB0.2 million in 3Q2016. This was mainly due to repayments of short-term bank loans during the period.

Share of results of associate

The Group's share of results of associate represented a loss of approximately RMB0.3 million for 3Q2017. It relates to Fujian Tianwang Foods Co., Limited ("Tianwang"), which we own 45% of its shareholding. Tianwang's source of revenue in 3Q2017 was generated mainly from the sales of processed vegetables, including processed bamboo shoots, and self-cultivated bamboo shoots. Tianwang's business was affected by rising labour costs, lower market price and sales orders of bamboo products in this quarter.

Income tax expenses

Our income tax expense was approximately RMB1.8 million in 3Q2017 compared to approximately RMB2.2 million in 3Q2016. Our subsidiaries Fuzhou Wangcheng Foods Development Co.,Ltd ("Wangcheng") and Nanping Yuanwang Foods Co.,Ltd ("Yuanwang") are subject to the Enterprise Income Tax at the rate of 25%. On the other hand, our cultivation business segment is exempt from the Enterprise Income Tax and the value-added tax.

Total comprehensive income for the period

The resulting net loss for 3Q2017 under review was approximately RMB58.1 million compared to a net profit of approximately RMB7.3 million in 3Q2016.

Review of performance for the 9-month ended 31 March 2017 ("9M2017")

Revenue

Our revenue decreased by approximately RMB45.4 million or 16.4%, to approximately RMB230.9 million in 9M2017 from approximately RMB276.3 million during the same period ended 31 March 2016 ("9M2016").

Sales from the processed food products business segment increased by approximately RMB27.1 million or 25.1%, to approximately RMB134.9 million in 9M2017 from approximately RMB107.8 million in 9M2016. There was an increase in both local and export sales in 9M2017. We recorded higher sales in the domestic market, mainly sales of our new dietary fibre food products which was launched in the local market in the second half of the last financial year. There was also an increase in our export sales as a result of increased orders from our Japanese customers who we have established a long-standing working relationship with.

Sales from the cultivation business segment was approximately RMB96.0 million in 9M2017, which decreased by approximately RMB72.5 million or 43.0% from approximately RMB168.5 million in 9M2016. The cultivation and harvesting of our shiitake mushroom in 9M2017 was affected by adverse weather conditions, including typhoons that occurred in late 2016 and unfavourable higher weather temperature. As a result, the volume of shiitake mushroom produced from our farmland during the harvesting season was lower compared to the same period of the last financial year. The order quantity of bamboo trees and bamboo shoots placed by our customers in 9M2017 was also smaller compared to the previous period. Additionally, the slowdown in the economy in China, oversupply of bamboo shoots in the market and the poorer quality of shiitake mushrooms produced in this period resulted in the average selling prices of our self-cultivated products in 9M2017 lower than 9M2016.

Gross profit and gross profit margin

In 9M2017, there was an overall gross loss of approximately RMB8.8 million and a gross loss margin of approximately 3.8% in 9M2017, in contrast with a gross profit of approximately RMB44.2 million and a gross profit margin of approximately 16.0% in 9M2016. The gross loss incurred in 9M2017 was mainly attributable to a loss derived from the cultivation business. An increase in labour costs and lower production volume of the self-cultivated products in 9M2017 led to a higher unit cost of production. In addition, lower market prices of shiitake mushoom and bamboo products further impacted our cultivation business in 9M2017.

The gross profit margin of our processed food business remained almost constant at approximately 31.5% in 9M2017, compared to approximately 31.8% in 9M2016.

Other operating income

Other operating income of approximately RMB3.8 million in 9M2017 comprised of interest income, rental income, government subsidies, foreign currency exchange gain and other miscellaneous income. Our subsidiary, Wangcheng Foods Development Co., Ltd ("Wangcheng"), received government subsidies in 9M2017 as Wangcheng was awarded the prize of Dragon Head Enterprise by the local government, and for subsidizing R&D of our processed food products. We also received rental income in 9M2017 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, arising from appreciation of the US Dollar against the Renminbi.

Operating expenses

Selling and distribution expenses increased by RMB28.9 million to approximately RMB32.2 million in 9M2017, from RMB3.3 million in 9M2016. The increase was mainly attributable to advertising to publicise our new dietary fibre food products, commission paid to distributors of processed food products, logistic expenses incurred for delivery of goods sold, and appointing marketing experts to assist in planning and implementing sales and marketing strategy for our processed food products.

Administrative expenses decreased by approximately RMB4.4 million or 19.4% to approximately RMB18.2 million in 9M2017, from approximately RMB22.6 million in 9M2016. This was mainly as a result of lower lower staff costs incurred by our cultivating business of shiitake mushroom after scaling back our mushroom farmland. Additionally, advertising expenses were included in administrative expenses in 9M2016 whereas they were included in sales and marketing expenses in 9M2017. There was also lower depreciation of mushroom tents in 9M2017 after the disposal of part of our mushroom tents.

Other operating expenses increased by approximately RMB4.9 million to approximately RMB8.4 million in 9M2017 from approximately RMB3.5 million in 9M2016. This mainly arose from additional payments for maintenance of our eucalyptus plantations which were affected by adverse weather conditions during the winter in 2016.

Finance cost

Finance cost were approximately RMB0.1 million in 9M2017, decreased from approximately RMB1.3 million in 9M2016. This was mainly due to repayments of short-term bank loans during the period.

Share of results of associate

The Group's share of results of associate represented a loss of approximately RMB0.1 million for 9M2017. It relates to Fujian Tianwang Foods Co., Limited ("Tianwang"), which we own 45% of its shareholding. Tianwang's source of revenue in 9M2017 was generated mainly from the sales of processed vegetables, including processed bamboo shoots, bamboo shoots and bamboo trees. Tianwang's business was affected by rising labour costs, lower market price and sales orders of bamboo products in 9M2017.

Income tax expenses

Our income tax expense was approximately RMB7.5 million in 9M2017 compared to approximately RMB5.5 million in 9M2016. This was mainly due to higher earnings contributed from our subsidiaries Fuzhou Wangcheng Foods Development Co.,Ltd ("Wangcheng") and Nanping Yuanwang Foods Co.,Ltd ("Yuanwang") in 9M2017 which are subject to the Enterprise Income Tax at the rate of 25%. Our cultivation business segment is exempt from the Enterprise Income Tax and the value-added tax.

Total comprehensive income for the period

The resulting net loss for 9M2017 under review was approximately RMB71.4 million compared to a net profit of RMB17.8 million in 9M2016.

STATEMENT OF FINANCIAL POSITION

Our non-current assets decreased by approximately RMB22.7 million or 2.9% to approximately RMB767.1 million as at 31 March 2017, from approximately RMB789.8 million as at 30 June 2016. The decrease was mainly due to amortisation and depreciation of the non-current assets in 9M2017.

Our current assets decreased by approximately RMB18.9 million or 8.5% to approximately RMB202.7 million as at 31 March 2017, from approximately RMB221.6 million as at 30 June 2016. This was primarily attributable to a decrease in advances to suppliers of mushroom synthetic logs in 9M2017. The cash and bank balances also declined by approximately RMB2.2 million. Additionally, the value of synthetic logs which were utilized in 9M2017 decreased as a results of the amortization over the mushroom harvesting period. The decrease was partly offset by an increase in trade receivables and additional prepayments of maintenance costs for eucalyptus plantations and bamboo plantations.

Non-current liabilities increased by approximately RMB2.9 million or 51.8% to approximately RMB8.5 million as at 31 March 2017, from approximately RMB5.6 million as at 30 June 2016. The increase was mainly attributable to an additional drawdown of bank borrowing for an acquisition of property.

Our current liabilities increased by approximately RMB7.6 million or 38.4% to approximately RMB27.4 million as at 31 March 2017, from approximately RMB19.8 million as at 30 June 2016. This mainly arose from an increase in advances from our customers and trade payables for purchasing raw materials of our processed food products

Our capital and reserves decreased by approximately RMB52.0 million or 5.3%, from approximately RMB986.0 million as at 30 June 2016 to approximately RMB934.0 million as at 31 March 2017. This was mainly as a result of the net loss incurred from the business in 9M2017. The decrease was partly offset by an issue of new ordinary shares arising from the placement, which was completed in July 2016.

STATEMENT OF CASH FLOWS

3Q2017

For the three months ended 31 March 2017, we recorded net cash generated from operating activities of approximately RMB5.9 million. This comprised of cash generated from operating activities before changes in working capital of approximately RMB16.8 million, working capital outflow of approximately RMB7.1 million which was mainly due to additional prepayments made in 3Q2017, and net of cash outflow from interest income received and income tax paid of approximately RMB3.8 million.

A net cash of approximately RMB9.2 million was used in investing activities. It was primarily attributable to additional payments made for property, plants and equipment.

In 3Q2017, a net cash of approximately RMB1.0 million was generated from financing activities. This was mainly attributable to an additonal drawdown of bank borrowing. The cash inflow was partly offset by repayments of bank loans and interest payments for bank borrowings.

9M2017

For the nine months ended 31 March 2017, we recorded net cash used in operating activities of approximately RMB2.9 million. This consisted of cash generated from operating activities before changes in working capital of approximately RMB81.2 million, working capital outflow of approximately RMB75.4 million, and net of cash outflow amounting to approximately RMB8.7 million from interest income received and income tax paid.

The net working capital outflow mainly arose from payments made for acquisition of the mushroom logs utilised in 9M2017. Additionally, there were increases in prepayments for maintenance of bamboo plantations, trade debtors and inventories from processed food products segment. The working capital outflow was partly offset by an increase in the trade payables arising from increased acquisition of raw materials of processed food products.

A net cash of approximately RMB20.6 million was used in investing activities. This was mainly due to payments for acquistion of property, plants and equipment and additional payments for maintenance of eucalyptus plantations.

Net cash generated from financing activities was approximately RMB21.3 million. This was mostly due to the net proceeds received from the share placement which was completed in July 2016, and additonal drawdown of bank borrowing. The amount was partly offset by a dividend payout for FY2016, repayments of bank loans 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.

In the face of challenging operating environment in China, we will cautiously implement our business development and transitions.

Production costs of our shiitake mushroom cultivation segment has been on the rise for several years, particularly labour cost of producing mushroom synthetic logs. In recent years, there were also significant changes in weather conditions in the locations of our mushroom farmland. This is unfavorable to the cultivation and harvesting of our shiitake mushroom. These issues have led to declining profit margin in this business segment. In view of this, we have further scaled back our mushroom cultivation farmland. We terminated the lease for 665 mu of mushroom cultivation farmland on 11 May 2017. Following the termination, the mushroom cultivation farmland is expected to be reduced from 1,184 mu to 519 mu and approximately RMB2.3 million balance of the security deposit previously paid to the respective Villagers' Committees will be refunded to us. We will continue to assess the performance of our shiitake mushroom cultivation segment and execute an appropriate strategy in the future.

On the other hand, we endeavor to develop our dietary fibre food products with greater potential based on the market trend. The growing urbanisation in the PRC and consumers' greater awareness of health products has led to a rising market demand for health and convenience food products. Therefore, we believe we are heading in a positive direction to capitalize on the business growth opportunity by investing in marketing of our own branded products and expanding the sales and distribution network in this segment, in particular for our new dietary fibre food products. Additionally, we will also continue our effort to explore business transformation opportunity.

In the midst of uncertain economic condition in China and across the world, the management will continue to closely monitor the Group's operations.

*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/recommended, a statement to that effect.

No dividend has been declared or recommended for the three months and nine-month ended 31 March 2017.

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 nine-month ended 31 March 2017. 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. The net proceeds have been fully utilised as announced on 3 March 2017.

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 three months and nine months ended 31 March 2017 to be false or misleading in any material aspect.

16. Confirmation that The Issuer 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 Qiuhai
Executive Chairman and CEO

12 May 2017