



YAMADA GREEN RESOURCES LIMITED
 (Company Registration Number 201002962E)
 (Incorporated in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF – YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	3-months period ended 31 Dec			6-months period ended 31 Dec		
	2019 (Unaudited) RMB'000	#2018 (Unaudited) RMB'000	Increase / (Decrease) %	2019 (Unaudited) RMB'000	#2018 (Unaudited) RMB'000	Increase / (Decrease) %
Revenue	22,011	24,404	(9.8)	36,271	59,520	(39.1)
Cost of sales	(21,457)	(20,674)	3.8	(36,165)	(65,907)	(45.1)
Gross profit / (loss)	554	3,730	(85.1)	106	(6,387)	n.m.
Other operating income	1,540	2,588	(40.5)	3,129	3,696	(15.3)
Refund from termination of unexpired prepaid leases of eucalyptus plantations	-	-	-	-	4,390	n.m.
Selling and distribution expenses	(327)	(646)	(49.4)	(559)	(1,546)	(63.8)
Administrative expenses	(5,717)	(5,863)	(2.5)	(10,591)	(12,023)	(11.9)
Other operating expenses	-	-	-	-	(204)	n.m.
Unaccountable expenses	-	-	-	-	(1,675)	n.m.
Finance costs	(89)	(75)	18.7	(212)	(118)	79.7
Share of profit / (loss) of associates	63	(218)	n.m.	(97)	(394)	(75.4)
Loss before taxation	(3,976)	(484)	721.5	(8,224)	(14,261)	(42.3)
Taxation	-	(4)	n.m.	-	(2,009)	n.m.
Loss after taxation	(3,976)	(488)	714.8	(8,224)	(16,270)	(49.5)
Other comprehensive income						
Item that will never be reclassified subsequently to profit or loss						
Revaluation of property, plant and equipment - leasehold properties	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
Total comprehensive expense for the period attributable to:						
Owners of the Company	(3,976)	(488)	714.8	(8,224)	(16,270)	(49.5)

Loss per share (S\$ cent)

- Basic	(2.2)	(0.3)	(4.7)	(9.2)
- Diluted	(2.2)	(0.3)	(4.7)	(9.2)

*n.m. – not meaningful

The books and financial records of all the subsidiaries in PRC (“China subsidiaries”) and a Hong Kong subsidiary of the Group for the first 2 months of FY2018 were destroyed by the outbreak of the fire on 30 August 2017. Details of the fire accident could be found in the announcement dated 4 September 2017.

The financial statements for the first 2 months of FY2018 was reconstructed based on available information and data from relevant sources (customers, contractors, suppliers and banks) and notarized letter of confirmations of amounts owing between the counter-parties and the China subsidiaries.

Although the management believed that the method of reconstruction is the most appropriate, the Board is unable to determine the completeness of the recording of the transactions that occurred during the first 2 months of FY2018.

	Group					
	3-months period ended 31 Dec			6-months period ended 31 Dec		
	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000	Increase / (Decrease) %	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000	Increase / (Decrease) %
Amortisation of land use rights	(135)	(135)	-	(270)	(270)	-
Amortisation of biological assets	-	-	-	-	(193)	n.m.
Amortisation of intangible assets	(2)	(1)	100.0	(4)	(1)	300.0
Depreciation of property, plant and equipment	(1,340)	(542)	147.2	(2,191)	(1,062)	106.3
Depreciation of investment properties	-	(520)	n.m.	-	(1,040)	n.m.
Unaccountable expenses	-	-	-	-	(1,675)	n.m.
Exchange loss, net	(206)	(182)	13.2	(458)	(238)	92.4
Interest income	2	-	n.m.	3	1	200.0
Interest expense	(89)	(75)	18.7	(212)	(118)	79.7
Government subsidies	50	1,725	(97.1)	50	1,815	(97.2)
Rental income	1,141	864	32.1	2,711	1,436	88.8

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

	Group		Company	
	31 Dec 18 (Unaudited) RMB'000	30 June 18 (Audited) RMB'000	31 Dec 18 (Unaudited) RMB'000	30 June 18 (Audited) RMB'000
Non-current assets				
Property, plant and equipment	70,300	71,179	8,337	8,395
Biological assets	-	-	-	-
Land use rights	22,661	22,931	-	-
Intangible assets	36	34	-	-
Investment properties	173,352	173,352	-	-
Investments in subsidiaries	-	-	149,762	149,762
Investments in associates	43,326	43,423	-	-
Deferred tax assets	-	-	-	-
Total non-current assets	309,675	310,919	158,099	158,157
Current assets				
Inventories	26,708	27,819	-	-
Trade and other receivables	53,572	54,820	154,070	154,077
Prepayments	88	126	88	126
Cash and bank balances	13,943	10,540	163	370
Total current assets	94,311	93,305	154,321	154,573
Total assets	403,986	404,224	312,420	312,730
Equity				
Share capital	322,210	322,210	322,210	322,210
Share-based payment reserve	2,016	2,016	2,016	2,016
Revaluation reserve	35,775	35,775	-	-
Statutory reserve	71,135	71,135	-	-
Accumulated losses	(146,727)	(138,503)	(26,636)	(23,695)
Total equity attributable to owners of the Company	284,409	292,633	297,590	300,531
Non-current liabilities				
Bank borrowings	5,227	4,509	5,227	4,509
Deferred tax liabilities	32,126	32,126	-	-
Total non-current liabilities	37,353	36,635	5,227	4,509
Current liabilities				
Trade and other payables	78,858	70,557	9,237	7,312
Bank borrowings	3,366	4,378	366	378
Current income tax payable	-	21	-	-
Total current liabilities	82,224	74,956	9,603	7,690
Total liabilities	119,577	111,591	14,830	12,199
Total equity and liabilities	403,986	404,224	312,420	312,730

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 December 2018 (Unaudited)		As at 30 June 2018 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
3,366	NA	4,378	NA

Amount repayable after one year

As at 31 December 2018 (Unaudited)		As at 30 June 2018 (Audited)	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
5,227	NA	4,509	NA

Details of any collateral

The Company's wholly-owned subsidiary, Fujian Wangsheng Industrial Co., Ltd. ("Wangsheng"), has credit facilities (the "Facilities") up to an aggregate principal amount of RMB20 million granted by Postal Savings Bank of China (the "Bank"). Wangsheng 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.

During the financial period, Wangsheng drew down an aggregate amount of RMB3.0 million granted by the Bank for general working capital purposes.

In addition, 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 at GSH Plaza in Singapore ("Acquisition"). The loan tenure is 15 years. During the financial period, the Company drew down an aggregate amount of approximately S\$1.3 million for the financing of the Acquisition.

As at 31 December 2018, the Group's outstanding loan amount was approximately RMB8.6 million, of which approximately RMB3.4 million are repayable within 1 year and the rest of the loan amount are repayable after 1 year.

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

	Group			
	3-months period from Oct to Dec		6-months period from Jul to Dec	
	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000	2019 (Unaudited) RMB'000	2018 (Unaudited) RMB'000
Cash flows from operating activities:				
Loss before taxation	(3,976)	(484)	(8,224)	(14,261)
Adjustments for:				
Amortisation of biological assets	-	-	-	193
Amortisation of land use rights	135	135	270	270
Amortisation of intangible assets	2	1	4	1
Depreciation of property, plant and equipment	1,340	542	2,191	1,062
Depreciation of investment properties	-	520	-	1,040
Interest expense	89	75	212	118
Interest income	(2)	-	(3)	(1)
Share of (profit) / loss of associates	(63)	218	97	394
Exchange loss	206	182	458	238
Unaccountable expenses	-	-	-	1,675
Operating cash flow before working capital changes	(2,269)	1,189	(4,995)	(9,271)
Working Capital Changes:				
Biological assets	-	-	-	67,924
Inventories	1,115	(3,630)	1,111	(4,575)
Trade and other receivables	(1,545)	15,732	1,286	72,805
Trade and other payables	6,542	(6,798)	8,301	(120,144)
Cash generated from operations	3,843	6,493	5,703	6,739
Interest received	2	-	3	1
Income tax paid	-	(2)	(21)	(85)
Net cash generated from operating activities	3,845	6,491	5,685	6,655
Cash flows from investing activities:				
Acquisition of property, plant and equipment	(326)	(388)	(1,312)	(439)
Acquisition of intangible assets	(6)	(39)	(6)	(39)
Net cash used in investing activities	(332)	(427)	(1,318)	(478)
Cash flows from financing activities:				
Proceeds from bank borrowings	670	-	670	4,000
Repayment of bank borrowings	(93)	(147)	(964)	(253)
Interest paid	(89)	(75)	(212)	(118)
Net cash generated from / (used in) financing activities	488	(222)	(506)	3,629
Net increase in cash and cash equivalents	4,001	5,842	3,861	9,806
Cash and cash equivalents at beginning of the financial period	10,147	10,620	10,540	6,628
Effect of foreign exchange rate changes on cash and cash equivalents	(205)	(265)	(458)	(237)
Cash and cash equivalents at end of the financial period	13,943	16,197	13,943	16,197

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.

	Group					Total equity
	Share capital	Share-based payment reserve	Statutory reserve	Revaluation reserve	Accumulated losses	
(RMB'000)						
<u>2019 (Unaudited)</u>						
Balance at 1 July 2018	322,210	2,016	71,135	35,775	(138,503)	292,633
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	-	-	(8,224)	(8,224)
Total comprehensive expense for the period	-	-	-	-	(8,224)	(8,224)
Balance as at 31 December 2018	322,210	2,016	71,135	35,775	(146,727)	284,409
<u>2018 (Unaudited)</u>						
Balance at 1 July 2017	322,210	2,016	71,135	-	(167,639)	227,722
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	-	-	(16,270)	(16,270)
Total comprehensive expense for the period	-	-	-	-	(16,270)	(16,270)
Balance as at 31 December 2017	322,210	2,016	71,135	-	(183,909)	211,452

	Company			Total equity
	Share capital	Share based payment reserve	Accumulated losses	
(RMB'000)				
<u>2019 (Unaudited)</u>				
Balance as at 1 July 2018	322,210	2,016	(23,695)	300,531
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(2,941)	(2,941)
Total comprehensive expense for the period	-	-	(2,941)	(2,941)
Balance as at 31 December 2018	322,210	2,016	(26,636)	297,590

	Company			
	Share capital	Share based payment reserve	Accumulated losses	Total equity
(RMB'000)				
2018 (Unaudited)				
Balance as at 1 July 2017	322,210	2,016	(19,358)	304,868
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(1,384)	(1,384)
Total comprehensive expense for the period	-	-	(1,384)	(1,384)
Balance as at 31 December 2017	322,210	2,016	(20,742)	303,484

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share option 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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.

There are no changes to the share capital of the Company since 30 June 2018.

The Company has no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2017 and 31 December 2018.

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.

	Group		Company	
	31 Dec 18 (Unaudited)	30 June 18 (Audited)	31 Dec 18 (Unaudited)	30 June 18 (Audited)
Total number of issued shares	176,798,164	176,798,164	176,798,164	176,798,164
Less: Treasury shares	-	-	-	-
Total number of issued shares excluding treasury shares	176,798,164	176,798,164	176,798,164	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.

There are no treasury shares held by the Company as at 31 December 2018.

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

The Company did not have any subsidiary holdings as at the end of the current financial period reported on.

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

The figures have neither been audited nor 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).

The figures have neither been audited nor reviewed by the Company's auditors.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the financial statements for the financial year ended 30 June 2018.

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 reason for, and the effect of, the change.

The Group has adopted all new and revised Financial Reporting Standard ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 July 2018, where applicable.

The directors do not anticipate that the adoption of the new and revised FRS will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

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

	Group			
	3-months period ended 31 Dec		6-months period ended 31 Dec	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Net loss for the period (RMB'000)	(3,976)	(488)	(8,224)	(16,270)
Basic loss per share (RMB cent)	(2.2)	(0.3)	(4.7)	(9.2)
Diluted loss per share (RMB cent)	(2.2)	(0.3)	(4.7)	(9.2)

Explanatory notes:

Loss per share is calculated based on the Group's loss after taxation divided by the issued share capital of the Company of 176,798,164 (2018: 176,798,164) shares for the period under review.

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

	Group		Company	
	31 Dec 18 (Unaudited)	30 June 18 (Audited)	31 Dec 18 (Unaudited)	30 June 18 (Audited)
Net Asset Value per share (RMB cents)	160.9	165.5	168.3	170.0

The net asset value per ordinary share of the Group and the Company as at 31 December 2018 and 30 June 2018 were calculated based on the issued share capital of the Company of 176,798,164 as at 31 December 2018 and 30 June 2018.

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.**

The books and financial records of all the China subsidiaries and a Hong Kong subsidiary of the Group for the first 2 months of FY2018 were destroyed by the outbreak of the fire on 30 August 2017. The financial statements for the first 2 months of FY2018 were reconstructed based on available information and data from relevant sources (customers, contractors, suppliers and banks) and notarized letter of confirmations of amounts owing between the counter-parties and the China subsidiaries. Although the management believed that the method of reconstruction is the most appropriate, the Board is unable to determine the completeness of the recording of the transactions that occurred during financial period from 1 July 2017 to 31 August 2017 for FY2018.

The Board is aware of the limitation that is being imposed in the process and, therefore, which affect the accuracy and reliability of the financial statements of the subsidiaries in the PRC within the Group and the consolidated financial statements of the Group. Hence, the review of performance below is solely based on the understanding of the management of the Group.

Review of Performance

Q2FY2019 vs Q2FY2018

	Q2FY2019 (Unaudited)		Q2FY2018 (Unaudited)	
	RMB'000	%	RMB'000	%
Self-Cultivated Products	-	-	294	1.2
Processed Food Products	22,011	100.0	24,110	98.8
Total	22,011	100.0	24,404	100.0

Revenue decreased by RMB2.4 million from RMB24.4 million in second quarter ended 31 December 2017 ("Q2FY2018") to RMB22.0 million in second quarter ended 31 December 2018 ("Q2FY2019") due mainly to the decrease in revenue in processed food products business. The decrease in revenue from processed food products business was due to lower sales volume and average selling price of water-boiled processed food products particularly water-boiled bamboo shoots and konjac to both domestics and overseas customers.

Cost of sales increased by RMB0.8 million to RMB21.5 million in Q2FY2019 as compared to RMB20.7 million in Q2FY2018 was due mainly to higher overhead costs particularly depreciation expenses.

Gross profit margin decreased by 12.8% from 15.3% in Q2FY2018 to 2.5% in Q2FY2019 was due to lower average selling price of water-boiled processed food products particularly water-boiled bamboo shoots and konjac to both domestics and overseas customers. In addition, gross profit also recorded a decrease of RMB3.1 million from RMB3.7 million in Q2FY2018 to RMB0.6 million in Q2FY2019 in tandem with the decrease in gross profit margin.

Other operating income recorded in Q2FY2019 comprised of interest income, rental income government subsidies and other miscellaneous income.

Selling and distribution costs decreased by RMB0.3 million or 49.4% from RMB0.6 million in Q2FY2018 to RMB0.3 million in Q2FY2019. This was mainly due to there are no transportation charges incurred for business of selling of beverages in Q2FY2019 which was ceased operations in Q2FY2018.

Administrative expenses decreased by RMB0.2 million from RMB5.9 million in Q2FY2018 to RMB5.7 million in Q2FY2019 due mainly to there is no depreciation of investment properties in Q2FY2019 as a result of the investment properties are carried at fair value.

The Group recorded finance costs of RMB0.1 million in both Q2FY2019 and Q2FY2018.

Share of results of associates' profit of RMB0.1 million relates to Fujian Tianwang Foods Co., Limited and its subsidiary, Sanming Sennong Forestry Co., Ltd. ("the Associates"), that the Group owns 45% of its shareholding. The Associates' revenue was generated mainly from the sales of processed vegetables, bamboo shoots and bamboo trees. The Associates' business was improved during the financial period due mainly to increase in sales volume of certain high profit margin products.

As a result of lower revenue and profit margin, the Group recorded a loss after tax of RMB4.0 million for Q2FY2019, as compared to loss after tax of RMB0.5 million for Q2FY2018.

1HFY2019 vs 1HFY2018

	1HFY2019 (Unaudited)		1HFY2018 (Unaudited)	
	RMB'000	%	RMB'000	%
Self-Cultivated Products	-	-	10,046	16.9
Processed Food Products	36,271	100.0	49,474	83.1
Total	36,271	100.0	59,520	100.0

Revenue decreased by RMB23.2 million from RMB59.5 million for the 6 months ended 31 December 2017 ("1HFY2018") to RMB36.3 million for the 6 months ended 31 December 2018 ("1HFY2019") due to the decrease in revenue in both processed food products business and self-cultivation business. The decrease in revenue in self-cultivation business was due mainly to the disposal of all the leases to moso bamboo plantations (gross land area measuring approximately 129,696 mu) during Q1FY2018 as a result of plant diseases and insect infestation. Meanwhile, the decrease in revenue from processed food products business was due to lower sales volume and average selling price of water-boiled processed food products particularly water-boiled bamboo shoots, konjac and mushroom to both domestics and overseas customers.

Cost of sales decreased by RMB29.7 million to RMB36.2 million in 1HFY2019 as compared to RMB65.9 million in 1HFY2018 in tandem with decrease in revenue and disposal of leases to moso bamboo plantations.

The Group recorded gross profit of RMB0.1 million in 1HFY2019 as compared to gross loss of RMB6.4 million in 1HFY2018 due mainly to the disposal of loss making moso bamboo plantations. As a result of the above, the Group also recorded gross profit margin of 0.3% in 1HFY2019 as compared to gross loss margin of 10.7% in 1HFY2018.

Other operating income recorded in 1HFY2019 comprised of interest income, rental income government subsidies and other miscellaneous income.

Selling and distribution costs decreased by RMB0.9 million or 63.8% from RMB1.5 million in 1HFY2018 to RMB0.6 million in 1HFY2019. This was mainly due to there are no transportation charges incurred for business of selling of beverages in 1HFY2019 which was ceased operations in Q2FY2018.

Administrative expenses decreased by RMB1.4 million from RMB12.0 million in 1HFY2018 to RMB10.6 million in 1HFY2019 due mainly to decrease in research expenditures and there is no depreciation of investment properties in 1HFY2019 as a result of the investment properties are carried at fair value.

Finance costs recorded a marginal increase of RMB0.1 million from RMB0.1 million in 1HFY2018 to RMB0.2 million in 1HFY2019.

Share of results of associates' losses of RMB0.1 million relates to Fujian Tianwang Foods Co., Limited and its subsidiary, Sanming Sennong Forestry Co., Ltd. ("the Associates"), that the Group owns 45% of its shareholding. The Associates' revenue was generated mainly from the sales of processed vegetables, bamboo shoots and bamboo trees. The Associates' business was affected by rising labour costs, lower market price and sales orders of bamboo products in first quarter of FY2019.

As a result of disposal of loss making moso bamboo plantations and lower expenses, the Group recorded a loss after tax of RMB8.2 million for 1HFY2019, as compared to loss after tax of RMB16.3 million for 1HFY2018.

Review of Balance Sheet

Non-current assets decreased by RMB1.2 million, from RMB310.9 million as at 30 June 2018 to RMB309.7 million as at 31 December 2018 due mainly to depreciation and amortisation expenses and share of results of associates' losses of RMB2.2 million and RMB0.1 million respectively which was partially offset by the acquisition of property, plant and equipment of RMB1.3 million during the financial period.

Current assets increased by RMB1.0 million, from RMB93.3 million as at 30 June 2018 to RMB94.3 million as at 31 December 2018 due mainly to increase in cash and bank balances of RMB3.4 million which was partially offset by the decrease in inventories and trade and other receivables of RMB1.1 million and RMB1.2 million respectively.

Non-current liabilities increased by RMB0.8 million, from RMB36.6 million as at 30 June 2018 to RMB37.4 million as at 31 December 2018 due mainly to drawdown of bank borrowings during the financial period.

Current liabilities increased by RMB7.2 million, from RMB75.0 million as at 30 June 2018 to RMB82.2 million as at 31 December 2018 due to an increase in trade and other payables of RMB8.2 million which was partially offset by the decrease in short-term bank borrowings of RMB1.0 million. The increase in trade and other payables was due mainly to higher amount of raw materials purchased.

Review of Cash Flow Statement

Q2FY2019 vs Q2FY2018

For Q2FY2019, the Group recorded a net cash inflow of RMB3.8 million from operating activities as compared to net cash inflow of RMB6.5 million in Q2FY2018. This was mainly attributable to higher losses incurred during the financial period couple with higher receivables and payables which was partially offset by lower inventories.

Net cash used in investing activities was RMB0.3 million in Q2FY2019 which was mainly due to capital expenditure on acquisition of property, plant and equipment.

There was a net cash inflow of RMB0.5 million from financing activities in Q2FY2019 arising from drawdown of bank borrowings. This was partially offset by repayment of bank borrowings

As a result of the above, cash and cash equivalents decreased from RMB16.2 million as at Q2FY2018 to RMB13.9 million as at Q2FY2019.

1HFY2019 vs 1HFY2018

For 1HFY2019, the Group recorded a net cash inflow of RMB5.7 million from operating activities as compared to net cash inflow of RMB6.7 million in 1HFY2018. This was mainly attributable to lower losses incurred during the financial period couple with lower receivables and inventories and higher payables.

Net cash used in investing activities was RMB1.3 million in 1HFY2019 which was mainly due to capital expenditure on acquisition of property, plant and equipment.

There was a net cash outflow of RMB0.5 million from financing activities in 1HFY2019 arising from repayment of bank borrowings. This was partially offset by drawdown of bank borrowings.

As a result of the above, cash and cash equivalents decreased from RMB16.2 million as at 1HFY2018 to RMB13.9 million as at 1HFY2019.

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

No forecast or prospect statement previously disclosed.

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.

The trade war between the PRC and the United States of America will continue to affect the demand of our products in the domestic market and increase challenges on our expansion into overseas markets.

Whilst market demand for our products has become more challenging due to intense competition and falling selling price, our Group will continue to devote effort in research and development and improve product quality, thereby raising the capability in production. Our Group will also strive to expand our product offering to strengthen our position in the market. The Management believe and are making effort in building a stronger foundation and creating a sustainable growth for the Group.

Barring unforeseen circumstances, the Group expects its financial performance for FY2019 to be marginally weaker than the FY2018.

11. If a decision regarding dividend has been made

(a) Whether an interim (final) ordinary dividend has been declared (recommended).

None.

(b) (i) Amount per share

Not Applicable.

(ii) Previous corresponding period

Not Applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not Applicable.

(d) The date the dividend is payable

Not Applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.

Not Applicable.

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

The Board of Directors of the Company does not recommend that a dividend be paid for the financial period ended 31 December 2018.

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.

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual, the details of the aggregate value of interest person transactions conducted for the financial year from 1 July 2018 to 31 December 2018:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	RMB'000	RMB'000
N/A	-	-

There have been no interested person transactions during the financial period ended 31 December 2018. The Company does not have a general mandate from shareholders for interested person transactions.

14. Negative Confirmation Pursuant to Rule 705(5) of the SGX-ST Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results of Yamada Green Resources Limited for the financial period ended 31 December 2018 to be false or misleading in any material aspect.

15. Undertaking Confirmation Statement from all its directors and executive officers under Rule 720(1)

The Company has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Chen Qihai
Executive Chairman and CEO
19 February 2019