



## Yamada Green Resources Limited

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

### Unaudited Financial Statements And Dividend Announcement For The Fourth Quarter And Full Year Ended 30 June 2014

#### 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<br>% | 12 Months Ended           |                           | Change<br>% |
|--|---------------------------|---------------------------|-------------|---------------------------|---------------------------|-------------|
|  | 30 Jun<br>2014<br>RMB'000 | 30 Jun<br>2013<br>RMB'000 |             | 30 Jun<br>2014<br>RMB'000 | 30 Jun<br>2013<br>RMB'000 |             |
| Revenue  | 81,448                    | 55,849                    | 45.8        | 611,422                   | 509,170                   | 20.0        |
| Cost of sales  | (55,789)                  | (41,609)                  | 34.0        | (464,554)                 | (395,922)                 | 17.3        |
| Gross profit   | 25,659                    | 14,240                    | 80.1        | 146,868                   | 113,248                   | 29.6        |
| <i>Gross profit margin</i>                           | <b>31.5%</b>              | 25.5%                     | 6.0 ppt     | <b>24.0%</b>              | 22.2%                     | 1.8 ppt     |
| <i>Other items of income</i>                         |                           |                           |             |                           |                           |             |
| Interest income                                      | 7                         | 14                        | (50.0)      | 84                        | 57                        | 47.3        |
| Other income   | 2,288                     | 4,577                     | (50.0)      | 3,064                     | 5,104                     | (39.9)      |
| Gain from changes in fair value of biological assets | 13,037                    | 2,396                     | 444.1       | 13,037                    | 2,396                     | 444.1       |
| <i>Other items of expenses</i>                       |                           |                           |             |                           |                           |             |
| Selling and distribution expenses                    | (2,193)                   | (2,015)                   | 8.8         | (6,065)                   | (7,448)                   | (18.5)      |
| Administrative expenses                              | (11,700)                  | (10,913)                  | 7.2         | (28,702)                  | (22,849)                  | 25.6        |
| Other operating expenses                             | (3,976)                   | (5,727)                   | (30.5)      | (10,715)                  | (13,166)                  | (18.6)      |
| Finance cost   | (567)                     | -                         | n/m         | (1,610)                   | (28)                      | n/m         |
| Profit before income tax                             | 22,555                    | 2,572                     | 776.9       | 115,961                   | 77,314                    | 49.9        |
| Income tax expense                                   | (5,267)                   | (2,374)                   | 121.8       | (13,371)                  | (8,124)                   | 64.5        |
| Profit for the financial period                      | 17,288                    | 198                       | n/m         | 102,590                   | 69,190                    | 48.2        |
| Other comprehensive income                           | -                         | -                         |             | -                         | -                         |             |
| Total comprehensive income for the financial period  | 17,288                    | 198                       | n/m         | 102,590                   | 69,190                    | 48.2        |
| <i>Profit attributable to:</i>                       |                           |                           |             |                           |                           |             |
| Owners of the parent                                 | 17,288                    | 198                       | n/m         | 102,590                   | 69,190                    | 48.2        |
| <i>Total comprehensive income attributable to:</i>   |                           |                           |             |                           |                           |             |
| Owners of the parent                                 | 17,288                    | 198                       | n/m         | 102,590                   | 69,190                    | 48.2        |

n/m – not meaningful

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

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

|  | 3 Months Ended |                |             | 12 Months Ended |                |             |
|--|----------------|----------------|-------------|-----------------|----------------|-------------|
|  | 30 Jun<br>2014 | 30 Jun<br>2013 | Change<br>% | 30 Jun<br>2014  | 30 Jun<br>2013 | Change<br>% |
|  | RMB'000        | RMB'000        |             | RMB'000         | RMB'000        |             |
| Amortisation of land use rights                          | <b>671</b>     | 629            | 6.6         | <b>2,772</b>    | 2,485          | 11.5        |
| Amortisation of biological assets <sup>(1)</sup>         | <b>16,795</b>  | 11,250         | 49.2        | <b>252,578</b>  | 234,546        | 7.6         |
| Amortisation of prepayment                               | <b>5,014</b>   | 4,852          | 3.3         | <b>18,125</b>   | 16,216         | 11.7        |
| Depreciation of property, plant and equipment            | <b>1,976</b>   | 1,832          | 7.8         | <b>8,180</b>    | 6,891          | 18.7        |
| (Gain)/Loss on disposal of property, plant and equipment | -              | -              | n/m         | <b>3</b>        | (56)           | n/m         |
| Gain on disposal of biological assets <sup>(2)</sup>     | -              | -              | n/m         | <b>(617)</b>    | -              | n/m         |
| Exchange (gain)/loss, net                                | <b>(540)</b>   | 2,336          | n/m         | <b>427</b>      | 2,809          | (84.7)      |
| Interest income  | <b>(7)</b>     | (14)           | (50.0)      | <b>(84)</b>     | (57)           | 47.3        |
| Interest expenses on bank loan                           | <b>567</b>     | -              | n/m         | <b>1,610</b>    | 28             | n/m         |
| Government grants  | -              | (428)          | n/m         | <b>(564)</b>    | (683)          | (17.4)      |
| Share-based payment expenses                             | <b>2,979</b>   | 4,379          | (31.9)      | <b>2,979</b>    | 4,379          | (31.9)      |

<sup>(1)</sup> This represents amortization of edible fungi synthetic logs held by the Group.

<sup>(2)</sup> This represents eucalyptus trees owned 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 30<br>Jun 2014 | As at 30<br>Jun 2013 | As at 30<br>Jun 2014 | As at 30<br>Jun 2013 |
|                                  | RMB'000              | RMB'000              | RMB'000              | RMB'000              |
| <b>Non-current assets</b>        |                      |                      |                      |                      |
| Property, plant and equipment    | 104,368              | 54,157               | 10                   | 3                    |
| Biological assets <sup>(1)</sup> | 158,714              | 166,866              | -                    | -                    |
| Land use rights                  | 98,104               | 100,741              | -                    | -                    |
| Investments in subsidiaries      | -                    | -                    | 117,266              | 117,266              |
| Prepayments                      | 138,745              | 72,895               | -                    | -                    |
| Deferred tax assets              | 1,918                | 1,847                | -                    | -                    |
|                                  | 501,849              | 396,506              | 117,276              | 117,269              |
| <b>Current assets</b>            |                      |                      |                      |                      |
| Biological assets <sup>(2)</sup> | 23,750               | 32,186               | -                    | -                    |
| Inventories                      | 13,671               | 16,325               | -                    | -                    |
| Trade receivables                | 16,580               | 16,862               | -                    | -                    |
| Other receivables                | 250,011              | 211,261              | 83,100               | 72,310               |
| Tax recoverable                  | 831                  | -                    | -                    | -                    |
| Cash and bank balances           | 21,591               | 21,108               | 3,403                | 10,692               |
|                                  | 326,434              | 297,742              | 86,503               | 83,002               |
| <b>Less:</b>                     |                      |                      |                      |                      |
| <b>Current liabilities</b>       |                      |                      |                      |                      |
| Trade and other payables         | 21,975               | 19,740               | 921                  | 1,172                |
| Bank borrowings                  | 30,000               | -                    | -                    | -                    |
| Current income tax payable       | 6,543                | 3,849                | 767                  | -                    |
|                                  | 58,518               | 23,589               | 1,688                | 1,172                |
| <b>Net current assets</b>        | 267,916              | 274,153              | 84,815               | 81,830               |
| <b>Non-current liability</b>     |                      |                      |                      |                      |
| Deferred tax liability           | (3,711)              | (3,711)              | -                    | -                    |
| <b>Net assets</b>                | 766,054              | 666,948              | 202,091              | 199,099              |
| <b>Capital and reserves</b>      |                      |                      |                      |                      |
| Share capital                    | 190,471              | 186,092              | 190,471              | 186,092              |
| Share-based payment reserve      | 4,995                | 6,395                | 4,995                | 6,395                |
| Statutory reserve                | 59,306               | 55,141               | -                    | -                    |
| Accumulated profits              | 511,282              | 419,320              | 6,625                | 6,612                |
| <b>Total equity</b>              | 766,054              | 666,948              | 202,091              | 199,099              |

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

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

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

| As at 30 June 2014 |           | As at 30 June 2013 |           |
|--------------------|-----------|--------------------|-----------|
| Secured            | Unsecured | Secured            | Unsecured |
| RMB30,000,000      | Nil       | Nil                | Nil       |

**Amount repayable after one year**

| As at 30 June 2014 |           | As at 30 June 2013 |           |
|--------------------|-----------|--------------------|-----------|
| Secured            | Unsecured | Secured            | Unsecured |
| Nil                | Nil       | Nil                | Nil       |

**Details of any collateral**

The Company's wholly-owned subsidiary, Wangcheng Foods Development Co., Ltd. ("Wangcheng"), had accepted the offer of credit facility (the "Facility") up to an aggregate principal amount of RMB40 million granted by China Everbright Bank (the "Bank") and pledged its buildings and land use rights as collateral for the Facility in favour of the Bank. Mr Chen Qiu Hai, the Executive Chairman and Chief Executive Officer of the Company, agreed to stand as personal guarantor for payment of all monies and liabilities owed by Wangcheng to the Bank including but not limited to payment of all monies owing or payable (whether actual or contingent) to the Bank with respect to the Facility extended by the Bank.

As at the date of this announcement, RMB30 million has been drawn down for general working capital purposes.

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

| <b>The Group</b>  | <b>3 Months Ended</b>              |                                    | <b>12 Months Ended</b>             |                                    |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|   | <b>30 Jun<br/>2014<br/>RMB'000</b> | <b>30 Jun<br/>2013<br/>RMB'000</b> | <b>30 Jun<br/>2014<br/>RMB'000</b> | <b>30 Jun<br/>2013<br/>RMB'000</b> |
| <b>Cash flows from operating activities</b>                         |                                    |                                    |                                    |                                    |
| Profit before income tax  | 22,555                             | 2,571                              | 115,961                            | 77,314                             |
| Adjustments for:  |                                    |                                    |                                    |                                    |
| Depreciation  | 1,976                              | 1,832                              | 8,180                              | 6,891                              |
| Amortisation of biological assets <sup>(1)</sup>                    | 16,795                             | 11,250                             | 252,578                            | 234,546                            |
| Amortisation of land use rights                                     | 671                                | 629                                | 2,772                              | 2,485                              |
| Amortisation of prepayments   | 5,014                              | 4,852                              | 18,125                             | 16,216                             |
| Gain from changes in fair value of biological assets <sup>(2)</sup> | (13,037)                           | (2,396)                            | (13,037)                           | (2,396)                            |
| Gain on disposal of biological assets <sup>(3)</sup>                | -                                  | -                                  | (617)                              | -                                  |
| (Gain)/ Loss on disposal of property, plant and equipment           | -                                  | -                                  | 3                                  | (56)                               |
| Interest income   | (7)                                | (14)                               | (84)                               | (57)                               |
| Interest expenses   | 567                                | -                                  | 1,610                              | 28                                 |
| Share-bases payment expenses  | 2,979                              | 4,379                              | 2,979                              | 4,379                              |
| Operating cash flows before working capital changes                 | 37,513                             | 23,103                             | 388,470                            | 339,350                            |
| Biological assets <sup>(1)</sup>                                    | (300)                              | (2,200)                            | (226,616)                          | (242,180)                          |
| Inventories   | 290                                | (447)                              | 2,654                              | (1,189)                            |
| Trade and other receivables   | 64,432                             | 35,027                             | (33,501)                           | (39,624)                           |
| Trade and other payables  | (393)                              | (15,298)                           | 2,235                              | 65                                 |
| Cash generated from operations                                      | 101,542                            | 40,185                             | 133,242                            | 56,422                             |
| Interest received   | 7                                  | 14                                 | 84                                 | 57                                 |
| Income taxes paid   | (3,731)                            | (2,146)                            | (11,579)                           | (8,377)                            |
| <b>Net cash from operating activities</b>                           | <b>97,818</b>                      | <b>38,053</b>                      | <b>121,747</b>                     | <b>48,102</b>                      |
| <b>Cash flows used in investing activities</b>                      |                                    |                                    |                                    |                                    |
| Proceeds from disposal of property, plant and equipment             | -                                  | -                                  | -                                  | 56                                 |
| Proceeds from disposal of biological assets <sup>(3)</sup>          | -                                  | -                                  | 4,280                              | -                                  |
| Purchase of property, plant and equipment                           | (3,370)                            | (10,797)                           | (58,394)                           | (25,831)                           |
| Purchase of land use rights   | (135)                              | (6,144)                            | (135)                              | (23,001)                           |
| Prepayments   | (78,900)                           | (39,557)                           | (88,942)                           | (39,557)                           |
| <b>Net cash used in investing activities</b>                        | <b>(82,405)</b>                    | <b>(56,498)</b>                    | <b>(143,191)</b>                   | <b>(88,333)</b>                    |

| <b><u>The Group</u></b>  | <b>3 Months Ended</b>              |                                    | <b>12 Months Ended</b>             |                                    |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|  | <b>30 Jun<br/>2014<br/>RMB'000</b> | <b>30 Jun<br/>2013<br/>RMB'000</b> | <b>30 Jun<br/>2014<br/>RMB'000</b> | <b>30 Jun<br/>2013<br/>RMB'000</b> |
| <b>Cash flows from financing activities</b>                        |                                    |                                    |                                    |                                    |
| Proceeds from issuance of placement shares                         | -                                  | -                                  | -                                  | 48,779                             |
| Expenses related to issuance of placement shares                   | -                                  | -                                  | -                                  | (1,692)                            |
| Proceeds from bank loan  | -                                  | -                                  | <b>30,000</b>                      | 10,000                             |
| Repayment of bank loan   | -                                  | -                                  | -                                  | (10,000)                           |
| Interest paid  | <b>(567)</b>                       | -                                  | <b>(1,610)</b>                     | (28)                               |
| Dividend payment   | -                                  | -                                  | <b>(6,463)</b>                     | -                                  |
| <b>Net cash from/(used in) financing activities</b>                | <b>(567)</b>                       | -                                  | <b>21,927</b>                      | 47,059                             |
| <b>Net increase/(decrease) in cash and bank balances</b>           | <b>14,846</b>                      | (18,445)                           | <b>483</b>                         | 6,828                              |
| <b>Cash and bank balances at beginning of the financial period</b> | <b>6,745</b>                       | 39,553                             | <b>21,108</b>                      | 14,280                             |
| <b>Cash and bank balances at end of the financial period</b>       | <b>21,591</b>                      | 21,108                             | <b>21,591</b>                      | 21,108                             |

(1) This represents edible fungi synthetic logs held by the Group.

(2) This represents eucalyptus trees in plantation forest and Moso bamboo plantations held by the Group.

(3) This represents only eucalyptus trees 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.

| <u>The Group</u>  | ← Attributable to owners of the parent → |  |                              |   |                                |                         |
|---|--|--|------------------------------|---|--------------------------------|-------------------------|
|   | Share capital<br>RMB'000                 | Share-based payment reserve<br>RMB'000 | Statutory reserve<br>RMB'000 | Foreign currency translation reserve<br>RMB'000 | Accumulated profits<br>RMB'000 | Total equity<br>RMB'000 |
| <b>Balance as at 01.07.2013</b>   | 186,092                                  | 6,395                                  | 55,141                       | -   | 419,320                        | 666,948                 |
| Profit for the financial period, representing total comprehensive income for the financial period | -  | -                                      | -                            | -   | 645                            | 645                     |
| <b>Balance as at 30.09.2013</b>   | 186,092                                  | 6,395                                  | 55,141                       | -   | 419,965                        | 667,593                 |
| <b><u>Contributions by and distributions to owners of the parent</u></b>                          |  |  |                              |   |                                |                         |
| Issue of new shares   | 4,379                                    | -                                      | -                            | -   | -                              | 4,379                   |
| Share-based payment reserve   | -  | (4,379)                                | -                            | -   | -                              | (4,379)                 |
| Transfer to statutory reserve   | -  | -                                      | 1,983                        | -   | (1,983)                        | -                       |
| Dividend payment  | -  | -                                      | -                            | -   | (6,463)                        | (6,463)                 |
| <b>Total contributions by and distributions to owners</b>   | 4,379                                    | (4,379)                                | 1,983                        | -   | (8,446)                        | (6,463)                 |
| Profit for the financial period, representing total comprehensive income for the financial period | -  | -                                      | -                            | -   | 45,627                         | 45,627                  |
| <b>Balance as at 31.12.2013</b>   | 190,471                                  | 2,016                                  | 57,124                       | -   | 457,146                        | 706,757                 |
| Profit for the financial period, representing total comprehensive income for the financial period | -  | -                                      | -                            | -   | 39,030                         | 39,030                  |
| <b>Balance as at 31.03.2014</b>   | <b>190,471</b>                           | <b>2,016</b>                           | <b>57,124</b>                | <b>-</b>  | <b>496,176</b>                 | <b>745,787</b>          |

|   | ← Attributable to owners of the parent → |                             |                   |                                      |                     |                |
|---|--|-----------------------------|-------------------|--------------------------------------|---------------------|----------------|
| <u>The Group</u>  | Share capital                            | Share-based payment reserve | Statutory reserve | Foreign currency translation reserve | Accumulated profits | Total equity   |
|   | RMB'000                                  | RMB'000                     | RMB'000           | RMB'000                              | RMB'000             | RMB'000        |
| <b>Balance as at 31.03.2014</b>   | 190,471                                  | 2,016                       | 57,124            | -                                    | 496,176             | 745,787        |
| <b><u>Contributions by and distributions to owners of the parent</u></b>                          |  |                             |                   |                                      |                     |                |
| Share-based payment reserve   | -  | 2,979                       | -                 | -                                    | -                   | 2,979          |
| Transfer to statutory reserve   | -  | -                           | 2,182             | -                                    | (2,182)             | -              |
| <b>Total contributions by and distributions to owners</b>   | -  | 2,979                       | 2,182             | -                                    | (2,182)             | 2,979          |
| Profit for the financial period, representing total comprehensive income for the financial period | -  | -                           | -                 | -                                    | 17,288              | 17,288         |
| <b>Balance as at 30.06.2014</b>   | <b>190,471</b>                           | <b>4,995</b>                | <b>59,306</b>     | <b>-</b>                             | <b>511,282</b>      | <b>766,054</b> |



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| <b>The Group</b>  | ← <b>Attributable to owners of the parent</b> → |                                    |                          |   |                            |                     |
|---|---|------------------------------------|--------------------------|---|----------------------------|---------------------|
|   | <b>Share capital</b>                            | <b>Share-based payment reserve</b> | <b>Statutory reserve</b> | <b>Foreign currency translation reserve</b> | <b>Accumulated profits</b> | <b>Total equity</b> |
|   | <b>RMB'000</b>                                  | <b>RMB'000</b>                     | <b>RMB'000</b>           | <b>RMB'000</b>                              | <b>RMB'000</b>             | <b>RMB'000</b>      |
| <b>Balance as at 01.07.2012</b>   | 138,692   | 6,632                              | 47,988                   | (1,143)                                     | 354,123                    | 546,292             |
| Effects on change of functional currency  | (4,242)   | (61)                               | -                        | 1,143                                       | 3,160                      | -                   |
| Profit for the financial period   | -   | -                                  | -                        | -   | 1,002                      | 1,002               |
| <i>Total comprehensive income for the financial period</i>  | (4,242)   | (61)                               | -                        | 1,143                                       | 4,162                      | 1,002               |
| <b>Balance as at 30.09.2012</b>   | 134,450   | 6,571                              | 47,988                   | -   | 358,285                    | 547,294             |
| <b><u>Contributions by and distributions to owners of the parent</u></b>                          |   |                                    |                          |   |                            |                     |
| Issue of new shares   | 4,555   | (4,555)                            | -                        | -   | -                          | -                   |
| Profit for the financial period, representing total comprehensive income for the financial period | -   | -                                  | 2,203                    | -   | 14,493                     | 16,696              |
| <b>Balance as at 31.12.2012</b>   | 139,005   | 2,016                              | 50,191                   | -   | 372,778                    | 563,990             |
| <b><u>Contributions by and distributions to owners of the parent</u></b>                          |   |                                    |                          |   |                            |                     |
| Issue of placement shares   | 48,779  | -                                  | -                        | -   | -                          | 48,779              |
| Share issue expenses  | (1,692)   | -                                  | -                        | -   | -                          | (1,692)             |
| <b>Total contributions by and distributions to owners</b>   | 47,087  | -                                  | -                        | -   | -                          | 47,087              |
| Profit for the financial period, representing total comprehensive income for the financial period | -   | -                                  | -                        | -   | 51,294                     | 51,294              |
| <b>Balance as at 31.03.2013</b>   | <b>186,092</b>                                  | <b>2,016</b>                       | <b>50,191</b>            | <b>-</b>                                    | <b>424,072</b>             | <b>662,371</b>      |

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| ← Attributable to owners of the parent →                   |                |                             |                   |                                      |                     |                |
|--|----------------|-----------------------------|-------------------|--------------------------------------|---------------------|----------------|
| <u>The Group</u>   | Share capital  | Share-based payment reserve | Statutory reserve | Foreign currency translation reserve | Accumulated profits | Total equity   |
|  | RMB'000        | RMB'000                     | RMB'000           | RMB'000                              | RMB'000             | RMB'000        |
| <b>Balance as at 31.03.2013</b>                            | 186,092        | 2,016                       | 50,191            | -                                    | 424,072             | 662,371        |
| Share-based payment  | -              | 4,379                       | -                 | -                                    | -                   | 4,379          |
| Profit for the financial period                            | -              | -                           | -                 | -                                    | 197                 | 197            |
| Transfer to statutory reserve                              | -              | -                           | 6,090             | -                                    | (6,090)             | -              |
| <i>Total comprehensive income for the financial period</i> | -              | -                           | 6,090             | -                                    | (5,893)             | 197            |
| <b>Balance as at 30.06.2013</b>                            | <u>186,092</u> | <u>6,395</u>                | <u>56,281</u>     | <u>-</u>                             | <u>418,179</u>      | <u>666,947</u> |

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| <u>The Company</u>   | Share capital<br>RMB'000 | Share-based payment reserve<br>RMB'000 | Foreign currency translation reserve<br>RMB'000 | Accumulated profits/(losses)<br>RMB'000 | Total equity<br>RMB'000 |
|--|--------------------------|--|---|---|-------------------------|
| <b>Balance as at 01.07.2013</b>  | 186,092                  | 6,395                                  | -   | 6,612                                   | 199,099                 |
| Loss for the financial period representing total comprehensive income for the financial period | -                        | -                                      | -   | (606)                                   | (606)                   |
| <b>Balance as at 30.09.2013</b>  | 186,092                  | 6,395                                  | -   | 6,006                                   | 198,493                 |
| <b><u>Contributions by and distributions to owners of the parent</u></b>                       |                          |  |   |   |                         |
| Issue of new shares  | 4,379                    | -                                      | -   | -                                       | 4,379                   |
| Share-based payment reserve  | -                        | (4,379)                                | -   | -                                       | (4,379)                 |
| Dividend payment   | -                        | -                                      | -   | (6,463)                                 | (6,463)                 |
| <b>Total contributions by and distributions to owners</b>                                      | 4,379                    | (4,379)                                | -   | (6,463)                                 | (6,463)                 |
| Loss for the financial period representing total comprehensive income for the financial period | -                        | -                                      | -   | (1,231)                                 | (1,231)                 |
| <b>Balance as at 31.12.2013</b>  | <b>190,471</b>           | <b>2,016</b>                           | -   | (1,688)                                 | 190,799                 |
| Loss for the financial period representing total comprehensive income for the financial period | -                        | -                                      | -   | (622)                                   | (622)                   |
| <b>Balance as at 31.03.2014</b>  | <b>190,471</b>           | <b>2,016</b>                           | -   | <b>(2,310)</b>                          | <b>190,177</b>          |

Yamada Green Resources Limited

| <u>The Company</u>   | Share capital<br>RMB'000 | Share-based payment reserve<br>RMB'000 | Foreign currency translation reserve<br>RMB'000 | Accumulated profits/(losses)<br>RMB'000 | Total equity<br>RMB'000 |
|--|--------------------------|--|---|---|-------------------------|
| Balance as at 31.03.2014   | 190,471                  | 2,016                                  | -   | (2,310)                                 | 190,177                 |
| <u>Contributions by and distributions to owners of the parent</u>                                |                          |  |   |   |                         |
| Share-based payment reserve  | -                        | 2,979                                  | -   | -                                       | 2,979                   |
| <b>Total contributions by and distributions to owners</b>  | -                        | 2,979                                  | -   | -                                       | 2,979                   |
| Profit for the financial period representing total comprehensive income for the financial period | -                        | -                                      | -   | 8,935                                   | 8,935                   |
| <b>Balance as at 30.06.2014</b>  | <b>190,471</b>           | <b>4,995</b>                           | <b>-</b>  | <b>6,625</b>                            | <b>202,091</b>          |

Yamada Green Resources Limited

| <b><u>The Company</u></b>  | <b>Share capital<br/>RMB'000</b> | <b>Share-based<br/>payment<br/>reserve<br/>RMB'000</b> | <b>Foreign<br/>currency<br/>translation<br/>reserve<br/>RMB'000</b> | <b>Accumulated<br/>profits/(losses)<br/>RMB'000</b> | <b>Total equity<br/>RMB'000</b> |
|--|----------------------------------|--|---|---|---------------------------------|
| <b>Balance as at<br/>01.07.2012</b>  | 138,692                          | 6,632  | (2,876)   | (1,210)   | 141,238                         |
| Effects on change of<br>functional currency  | (4,242)                          | (61)   | 2,876   | 1,427   | -                               |
| Loss for the financial<br>period   | -                                | -  | -   | (346)   | (346)                           |
| <i>Total comprehensive<br/>income for the<br/>financial period</i>   | (4,242)                          | (61)   | 2,876   | 1,081   | (346)                           |
| <b>Balance as at<br/>30.09.2012</b>  | 134,450                          | 6,571  | -   | (129)   | 140,892                         |
| <b><u>Contributions by<br/>and distributions<br/>to owners of the<br/>parent</u></b>                       |                                  |  |   |   |                                 |
| Issue of new shares  | 4,555                            | (4,555)  | -   | -   | -                               |
| Loss for the financial<br>period representing<br>total comprehensive<br>income for the<br>financial period | -                                | -  | -   | (1,387)   | (1,387)                         |
| <b>Balance as at<br/>31.12.2012</b>  | 139,005                          | 2,016  | -   | (1,516)   | 139,505                         |
| <b><u>Contributions by<br/>and distributions<br/>to owners of the<br/>parent</u></b>                       |                                  |  |   |   |                                 |
| Issue of placement<br>shares   | 48,779                           | -  | -   | -   | 48,779                          |
| Share issue<br>expense   | (1,692)                          | -  | -   | -   | (1,692)                         |
| <b>Total<br/>contributions by<br/>and distributions<br/>to owners</b>                                      | 47,087                           | -  | -   | -   | 47,087                          |
| Loss for the financial<br>period representing<br>total comprehensive<br>income for the<br>financial period | -                                | -  | -   | (256)   | (256)                           |
| <b>Balance as at<br/>31.03.2013</b>  | <b>186,092</b>                   | <b>2,016</b>   | <b>-</b>  | <b>(1,772)</b>                                      | <b>186,336</b>                  |

Yamada Green Resources Limited

| <u>The Company</u>   | Share capital<br>RMB'000 | Share-based<br>payment<br>reserve<br>RMB'000 | Foreign<br>currency<br>translation<br>reserve<br>RMB'000 | Accumulated<br>profits/(losses)<br>RMB'000 | Total equity<br>RMB'000 |
|--|--------------------------|--|--|--|-------------------------|
| <b>Balance as at<br/>31.03.2013</b>                                | 186,092                  | 2,016  | -  | (1,772)                                    | 186,336                 |
| Share-based payment  | -                        | 4,379  | -  | -  | 4,379                   |
| Profit for the financial<br>period                                 | -                        | -  | -  | 8,384                                      | 8,384                   |
| <i>Total comprehensive<br/>income for the financial<br/>period</i> | -                        | -  | -  | 8,384                                      | 8,384                   |
| <b>Balance as at<br/>30.06.2013</b>                                | <u>186,092</u>           | <u>6,395</u>                                 | <u>-</u>   | <u>6,612</u>                               | <u>199,099</u>          |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since the end of the previous period.

There were no outstanding convertibles or treasury shares held as at 30 June 2014 and 30 June 2013.

- 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 2013 498,452,175

Issuance and vesting of  
performance share awards on 31  
December 2013

3,750,000

**As at 30 June 2014**

**502,202,175**

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

Not applicable.

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

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

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

Not applicable.

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

Except for the adoption of applicable new/revised FRS when begin affected for the financial period beginning on or after 1 July 2013, 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 2013. Management anticipates that the adoption of the new/revised FRS in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption.

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 |                | 12 Months Ended |                |
|--|----------------|----------------|-----------------|----------------|
|  | 30 Jun<br>2014 | 30 Jun<br>2013 | 30 Jun<br>2014  | 30 Jun<br>2013 |
| <b><u>The Group</u></b>                                      |                |                |                 |                |
| Earnings per share (RMB cents)                               |                |                |                 |                |
| - <i>basic</i>   | 3.44           | 0.04           | 20.50           | 15.7           |
| - <i>diluted</i>   | 3.42           | 0.04           | 20.13           | 15.2           |
| Weighted average number of<br>ordinary shares ('000) - basic | 502,202        | 498,452        | 500,327         | 440,996        |
| - diluted  | 505,667        | 513,782        | 509,725         | 456,326        |

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.

The Company approved the grant of 25,000,000 shares of the Company to selected eligible employees of the Group and Director of the Company on 29 December 2011, under the Yamada Performance Shares Plan which had been approved and adopted by the shareholders at our Extraordinary General Meeting on 29 April 2011. As at 30 June 2014, 13,420,000 ordinary shares of the above 25,000,000 ordinary shares were issued and vested and 8,115,000 ordinary shares of the above 25,000,000 ordinary shares were forfeited.

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

| <b><u>The Group</u></b>               | <b>As at 30 Jun 2014</b> | <b>As at 30 Jun 2013</b> |
|---------------------------------------|--------------------------|--------------------------|
| Net asset value per share (RMB cents) | 152.5                    | 133.8                    |
| Number of ordinary shares ('000)      | 502,202                  | 498,452                  |
| <b><u>The Company</u></b>             | <b>As at 30 Jun 2014</b> | <b>As at 30 Jun 2013</b> |
| Net asset value per share (RMB cents) | 40.2                     | 39.9                     |
| Number of ordinary shares ('000)      | 502,202                  | 498,452                  |



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 fourth quarter ended 30 June 2014 ("4Q2014")**

#### **Revenue**

Our revenue increased by approximately RMB25.6 million or 45.8% to approximately RMB81.4 million in 4Q2014 from approximately RMB55.8 million during April to June 2013 ("4Q2013").

Revenue derived from our cultivation business segment increased by approximately RMB13.9 million or 85.4% to approximately RMB30.5 million in 4Q2014 from approximately RMB16.6 million in 4Q2013.

Favorable weather conditions during the harvesting period in our cultivation sites in 4Q2014 resulted in a higher yield of our self-cultivated shiitake mushrooms to approximately 3,880 tonnes compared with 2,530 tonnes in 4Q2013. The average selling price of self-cultivated fresh shiitake mushrooms was approximately RMB7.9 per kg in 4Q2014, increased approximately 20% compared to the same period in the last financial year. The higher average selling price arose partly from revised contractual payment terms with our 12 appointed shiitake mushroom distributors in 4Q2014.

Sales from processed food product business segment improved approximately RMB11.7 million or 29.8% to approximately RMB50.9 million in 4Q2014 from approximately RMB39.2 million in 4Q2013, resulted from higher sales in both domestic and overseas markets.

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

Our gross profit increased by approximately RMB11.5 million or 80.1%, to RMB25.7 million in 4Q2014 from RMB14.2 million in 4Q2013, which was in tandem with the increase in revenue.

Our overall gross profit margin increased to approximately 31.5% in 4Q2014 from 25.5% in 4Q2013.

The gross profit margin of our cultivation business segment increased to approximately 29.2% in 4Q2014 from approximately 12.6% in 4Q2013, as a result of higher average selling price of shiitake mushroom.

The gross profit margin of our processed food products business segment was increased to approximately 32.9% in 4Q2014 compared to 25.5% in 4Q2013. The variance resulted mainly from changes in product mix.

#### **Other items of income**

Other operating income mainly comprise of government subsidies, interest income, rental income and other miscellaneous gains. The decrease of other operating income in 4Q2014 was mainly due to revised contractual payment terms with our shiitake mushroom distributors.

### **Gain from changes in fair value of biological assets**

An independent valuation expert is appointed to assess the fair value of our eucalyptus trees and bamboo plantations at the end of the financial year. A net gain from changes in fair value of biological assets of approximately RMB13.0 million was recognised in 4Q2014 (4Q2013: approximately RMB2.4 million). As at 30 June 2014, we own 51,193 mu (4Q2013: 51,193 mu) of eucalyptus tree plantations and 33,845 mu (4Q2013: 11,302 mu) of bamboo plantations. We harvested 5,924 mu and 5,534 mu of eucalyptus trees in 2014 and 2013 respectively. The loss from changes in fair value of eucalyptus trees amounting to approximately RMB12.0 million was derived after taking into consideration the factors of (i) timber reserves of eucalyptus trees as at valuation date were lower than expected. (ii) an increase in cutting cost and operating cost as at the valuation date. On the other hand, there was a gain of approximately RMB25.0 million from changes in fair value of moso bamboos and bamboo shoots resulted primarily by our expanded bamboo plantations. The net present value generated from the valuation was based on the best estimates by the valuer in view of the conditions of our bamboo plantations and the market value of moso bamboo and bamboo shoots.

A copy of the valuation report is available for inspection at our registered office during normal business hours for three months from the date of the announcement.

### **Other items of expenses**

Selling and distribution expenses increased by approximately RMB0.2 million or 8.8% to approximately RMB2.2 million in 4Q2014, from approximately RMB2.0 million in 4Q2013. It was mainly due to increased freight charges and custom clearance fee.

Administrative expenses increased by approximately RMB0.8 million or 7.2% to approximately RMB11.7 million in 4Q2014, from approximately RMB10.9 million in 4Q2013. It was mainly resulted from the increase in R&D expenditures, staff welfare and depreciation of property, plant and equipment.

Other operating expenses comprised mainly maintenance costs of eucalyptus plantations and foreign exchange losses. It fell by approximately RMB1.7 million or 30.5% to approximately RMB4.0 million in 4Q2014, from approximately RMB5.7 million in 4Q2013. This was mainly due to lower forest maintenance costs incurred on more mature eucalyptus trees.

### **Finance cost**

The finance cost increased to approximately RMB0.6 million in 4Q2014. This was mainly attributable to a loan of RMB30.0 million drawn down from China Everbright Bank utilised as general working capital purposes.

### **Income tax expense**

Income tax expense increased to approximately RMB5.3 million in 4Q2014 from approximately RMB2.4 million in 4Q2013. It was consistent with higher profit before income tax from our processed food product segment. Our cultivation business segment is exempted from the Enterprise Income Tax and the value-added tax. Our subsidiary, Wangcheng and Yuanwang, are subject to Enterprise Income Tax at the rate of 25%.

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

Total comprehensive income for the three months under review improved significantly by approximately RMB17.1 million to approximately RMB17.3 million in 4Q2014, from approximately RMB0.2 million in 4Q2013. The significant increase was primarily attributable to improved revenue and profit in self-cultivated business segment. In addition, higher gain on changes in fair value of biological assets was also recognised in 4Q2014.

**Review of performance for the full year ended 30 June 2014 (“FY2014”)**

Our revenue increased by approximately RMB102.2 million or 20.0% to approximately RMB611.4 million in FY2014, from approximately RMB509.2 million during July 2012 to June 2013 (“FY2013”).

Our cultivation business segment reported an improved revenue of approximately RMB419.3 million in FY2014. This was increased by approximately RMB64.4 million or 18.1%, compared to RMB354.9 in FY2013.

Revenue generated from sales of self-cultivated shiitake mushrooms rose by approximately RMB46.1 million or 13.4% to RMB387.9 million in FY2014, from RMB341.8 million in FY2013. Favorable weather conditions during the harvesting period in our cultivation sites resulted in a satisfactory mushroom yields of approximately 54,380 tonnes in FY2014, compared to 50,650 tonnes in FY2013. The average selling price of self-cultivated fresh shiitake mushrooms was approximately RMB7.13 per kg in FY2014, up about 5.0% compared to FY2013.

Sales of black fungus increased by approximately RMB1.0 million or 7.6% to RMB14.1 million in FY2014 from RMB13.1 million in FY2013. We are currently operating 86 mu of black fungus cultivation bases with an annual production rate of approximately 2,800 tonnes.

We commenced harvesting of our self-cultivated bamboo shoots and moso bamboos during FY2014. We produced and sold 565,100 pieces of moso bamboos and 357 tonnes of winter bamboo shoots during the year, generating revenue of RMB13.0 million. During the harvesting season, we operated 11,302 mu of bamboo plantations in Pucheng County, Fujian Province. In May 2014, we expanded our moso bamboo plantations to 33,845 mu.

Revenue from processed food products business segment grew approximately RMB37.8 million or 24.4% to approximately RMB192.1 million in FY2014, from RMB154.3 million in FY2013. It was mainly due to higher sales in both domestic and Japanese markets during the year.

**Gross profit and gross profit margin**

In tandem with the higher revenue, our gross profit increased by approximately RMB33.7 million or 29.6%, to approximately RMB146.9 million in FY2014 from approximately RM113.2 million in FY2013.

Our overall gross profit margin rose to 24.0% in FY2014 from 22.2% in FY2013.

The gross profit margin of our cultivation business segment increased to 20.3% in FY2014 from 18.2% in FY2013. It was mainly attributable to a higher average selling price of shiitake mushrooms in FY2014. In addition, winter bamboo shoots and moso bamboos generated gross profit margin of approximately 35% to 40% in FY2014.

The gross profit margin for our processed food products business segment remained stable at 32.1% in FY2014 compared with 31.6% in FY2013. The variance resulted mainly from changes in product mix.

**Other items of income**

Other operating income consisted mainly of government subsidies, interest income, rental income and other miscellaneous gains. The decrease of other operating income in FY2014 was mainly due to revised contractual payment terms with our shiitake mushroom distributors in 4Q2014.

### **Gain from changes in fair value of biological assets**

An independent valuation expert is appointed to assess the fair value of our eucalyptus trees and bamboo plantations at each balance sheet date. A net gain from changes in fair value of biological assets of approximately RMB13.0 million was recognised in FY2014, compared to a gain of approximately RMB2.4 million in FY2013. As at 30 June 2014, we own 51,193 mu (4Q2013: 51,193 mu) of eucalyptus trees plantation and 33,845 mu (4Q2013: 11,302 mu) of bamboo plantations. We harvested 5,924 mu and 5,534 mu of eucalyptus trees in 2014 and 2013 respectively. The loss from changes in fair value of eucalyptus trees incurred after taking into consideration the factors of (i) timber reserves of eucalyptus trees as at valuation date were lower than expected. (ii) an increase in cutting cost and operating cost as at the valuation date. On the other hand, there was a gain of approximately RMB25.0 million from changes in fair value of moso bamboos and bamboo shoots resulted primarily by our expanded bamboo plantations. The net present value generated from the valuation was based on the best estimates by the valuer in view of the conditions of our bamboo plantations and the market value of moso bamboo and bamboo shoots.

A copy of the valuation report is available for inspection at our registered office during normal business hours for three months from the date of the announcement.

### **Other items of expense**

Selling and distribution expenses decreased by approximately RMB1.3 million or 18.5% to approximately RMB6.1 million in FY2014, from approximately RMB7.4 million in FY2013. We reduced our sales and marketing staff and sales promotion expenses as we were in the process of adjusting our marketing plan and strategy.

Administrative expenses increased by approximately RMB5.9 million or 25.6%, to approximately RMB28.7 million in FY2014 from approximately RMB22.8 million in FY2013. This was mainly resulted from higher depreciation of property, plant and equipment, R&D expenditures and staff welfare. Increase in depreciation was mainly caused by the completion of new office building and processing plants and was capitalised as property, plant and equipment in FY2014.

Other operating expenses comprised mainly of maintenance cost of eucalyptus plantations and foreign exchange loss. It was decreased by approximately RMB2.5 million or 18.6% to approximately RMB10.7 million in FY2014, from approximately RMB13.2 million in FY2013. This was mainly due to lower forest maintenance costs incurred on more mature eucalyptus trees.

### **Finance cost**

The finance cost increased significantly to RMB1.6 million in FY2014. A loan of RMB30.0 million was drawn down from China Everbright Bank and utilised as general working capital purpose.

### **Income tax expense**

Income tax expense increased to approximately RMB13.4 million in FY2014, from approximately RMB8.1 million in FY2013. The increase was consistent with higher profit before income tax from our processed food product segment. Our cultivation business segment is exempted from the Enterprise Income Tax and the value-added tax. Our subsidiary, Wangcheng and Yuanwang, are subject to Enterprise Income Tax at the rate of 25%. Our effective tax rate is 11.5% in FY2014.

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

Total comprehensive income for the financial year under review increased by approximately RMB33.4 million or 48.2% to approximately RMB102.6 million in FY2014, from approximately RMB69.2 million in FY2013. The increase was mainly due to higher sales and profit during the current financial year.

### **STATEMENT OF FINANCIAL POSITION**

Our non-current assets increased by approximately RMB105.3 million or 26.5% to RMB501.8 million as at 30 June 2014, from RMB396.5 million as at 30 June 2013. The increase was due to the expansion of our moso bamboo plantations of 22,543 mu, purchase of property and plants amounting to RMB24.3 million for our new processing plants in Economic and Technological Development Zone and our R&D Centre in Houyu Food Industry Zone in Fuzhou City, and additional long-term prepaid lease of RMB69.7 million for our newly acquired moso bamboo plantation. RMB27.3 million was capitalised for the completion in construction of two processing plants and office building in Economic and Technological Development. In addition, fair value of biological assets was increased as a result of a gain from revaluation.

Our current assets increased by approximately RMB28.7 million or 9.6% to RMB326.4 million as at 30 June 2014, from RMB297.7 million as at 30 June 2013. The increase mainly arose from (i) a deposit of RM20.0 million was paid for investment in Zhangzhou Meisei Foods Co., Ltd (ii) a prepaid lease of approximately RM7.8 million for the additional 22,543 mu of bamboo plantations and, (3) a prepayments were made to contractors and suppliers for R&D centre, processing plants, machinery and equipment. Our cash and bank balances remained relatively constant at approximately RMB21.6 million compared to FY2013. The increase was partly mitigated by reduction in inventories and value of synthetic logs. The costs of mushroom synthetic logs as at 30 June 2014 included fair value of eucalyptus trees harvested in FY2014 which will be used as raw material for producing mushroom logs and to be utilised in FY2015.

Our current liabilities increased by approximately RMB34.9 million or 148.0% to approximately RMB58.5 million as at 30 June 2014, from approximately RMB23.6 million as at 30 June 2013. The increase was primarily attributable to increase in bank borrowings by RMB30.0 million for our general working capital purposes and increase in advance payment received from our customers from our cultivation business segment.

Equity holders' interest increased by approximately RMB99.1 million or 14.8% to approximately RMB766.0 million as at 30 June 2014, from approximately RMB666.9 million as at 30 June 2013. It was mainly resulted from the payment of final dividend for FY2013 amounting to approximately RMB6.5 million.

### **STATEMENT OF CASH FLOWS**

#### **4Q2014**

For the three months ended 30 June 2014, our net cash generated from operating activities was approximately RMB97.8 million. This included cash generated from operating activities before changes in working capital of RMB37.5 million, working capital inflow of RMB64.0 million was mainly due to decline in trade and other receivables by RMB64.4 million, and net of cash outflow amounting to RMB3.7 million arising from interest income received and income tax paid.

Net cash outflow of approximately RMB82.4 million was used in investing activities for the lease of additional 22,543 mu of moso bamboo plantations, purchase of machinery and equipment and progressive payment for new plants and R&D Centre.

In 4Q2014, net cash of approximately RMB0.6 million was used in financing activities. A loan of RMB30.0 million from China Everbright Bank was drawn down for working capital purposes.

#### **FY2014**

For the full year ended 30 June 2014, we recorded net cash generated from operating activities of approximately RMB121.7 million. This comprised of cash generated from operating activities before changes in working capital of RMB406.0 million, working capital outflow of RMB256.1million, and net of cash outflow amounting to RMB10.6 million from interest income received and income tax paid.

The net working capital outflow was mainly due to utilisation of edible fungi synthetic logs of approximately RMB226.6 million during the harvesting season in FY2014. In addition, trade and other receivables increased by approximately RMB34.4 million. The cash outflow was partially offset by decrease in inventories of RMB2.6 million and increase in trade and other payables of RMB3.0 million.

Net cash of approximately RMB143.2 million was used in investing activities, including prepaid lease of RMB78.9 million for the additional 22,543 mu of moso bamboo plantations, purchase of machinery and equipment and progressive payment for the new plants and R&D Centre. In addition, approximately RMB10.0 million was paid in advance for maintenance of eucalyptus plantations. The cash outflow was partially offset by proceeds of approximately RMB4.3 million derived from disposal of eucalyptus trees.

In FY2014, net cash of approximately RMB21.9 million was generated from financing activities. We drew down a loan of RMB30.0 million from China Everbright Bank for general working capital purposes. The cash inflow was partially reduced by interest expenses incurred on bank loan of approximately RMB1.6 million and payment of final dividend for FY2013 of approximately RM6.5 million.

**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 FY2015, the Group will continue to build on our strong foundations through our two-prong growth strategy.

Firstly, we will constantly review opportunities to expand our bamboo plantation business segment. We currently have a total plantation area of 33,845 mu, of which 22,543 mu were added after our FY2014 moso bamboo harvesting season. In FY2015, with an enlarged moso bamboo plantation, our total yield of spring bamboo, winter bamboo and moso bamboos will likely increase. We expect this business segment will continue to be the main growth driver of our Group's revenue.

Secondly, we will continue to strengthen and capitalise on our efforts in developing new convenience food products and improving our product mix in the processed food segment. This will allow us to better capture the growth in this segment arising from increasing urbanisation and greater health-consciousness among the middle- and upper-income consumers.

We believe demand for our main growth driver, our self-cultivated edible fungi, will continue to remain healthy. Shiitake mushrooms, in particular, are widely recognised as one of the most popular edible mushrooms in the PRC due to its favourable taste and health benefits.

Barring unforeseen circumstances, the Group remains optimistic about its performance for FY2015.

*\*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?

The Board of Directors recommended first and final dividend of RMB0.012 per share based on 502,202,175 shares in issue as at 30 June 2014, subject to shareholders' approval at the forthcoming Annual General Meeting, has not been reflected in the financial statements for FY2014 but will be accounted for in the Statement of Changes in Equity as an appropriation of retained earnings in FY2015.

|                         | <u>Year ended 30 June 2014</u> | <u>Year ended 30 June 2013</u> |
|-------------------------|--------------------------------|--------------------------------|
| Name of dividend        | First and final                | First and final                |
| Dividend type           | Cash                           | Cash                           |
| Dividend rate per share | RMB0.012                       | RMB0.013                       |
| Tax rate                | Tax exempt one-tier            | Tax exempt one-tier            |

### **(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** To be announced at a later date

**(d) Books closure date** To be announced at a later date

## 12. If no dividend has been declared/recommended, 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 June 2014. The Group does not have a general mandate pursuant to Rule 920(1)(a)(ii).

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**(a) Business Segment**

|  | Self-cultivation<br>RMB'000 | Processed food products<br>RMB'000 | Corporate<br>RMB'000 | Elimination<br>RMB'000 | Total<br>RMB'000 |
|--|-----------------------------|------------------------------------|----------------------|------------------------|------------------|
| <b>FY2014</b>  |                             |                                    |                      |                        |                  |
| <b>Revenue</b>                                       |                             |                                    |                      |                        |                  |
| Sales to external customers                          | 419,282                     | 192,140                            | -                    | -                      | 611,422          |
| Inter-segment revenues                               | 11,592                      | -                                  | -                    | (11,592)               | -                |
| Total revenue  | 430,874                     | 192,140                            | -                    | (11,592)               | 611,422          |
| <b>Segment results</b>                               | 85,069                      | 61,799                             | -                    | -                      | 146,868          |
| Interest income                                      | 38                          | 43                                 | 3                    | -                      | 84               |
| Other income   | -                           | 3,027                              | 37                   | -                      | 3,064            |
| Gain from changes in fair value of biological assets | 13,037                      | -                                  | -                    | -                      | 13,037           |
| Selling and distribution expenses                    | (3,110)                     | (2,956)                            | -                    | -                      | (6,065)          |
| Administrative expenses                              | (8,394)                     | (12,992)                           | (7,316)              | -                      | (28,702)         |
| Other operating expenses                             | (10,282)                    | (433)                              | -                    | -                      | (10,715)         |
| Financial cost                                       | -                           | (1,610)                            | -                    | -                      | (1,610)          |
| Profit before income tax                             | 76,358                      | 46,879                             | (7,276)              | -                      | 115,961          |
| Income tax expenses                                  | -                           | (11,773)                           | (1,598)              | -                      | (13,371)         |
| Profit after income tax                              | 76,358                      | 35,106                             | (8,874)              | -                      | 102,590          |



Yamada Green Resources Limited

|  | Self-cultivation<br>RMB'000 | Processed food products<br>RMB'000 | Corporate<br>RMB'000 | Elimination<br>RMB'000 | Total<br>RMB'000 |
|--|-----------------------------|------------------------------------|----------------------|------------------------|------------------|
| <b>Other segment items</b>                         |                             |                                    |                      | -                      |                  |
| Additions of biological assets                     | 244,142                     | -                                  | -                    | -                      | 244,142          |
| Capital expenditure -property, plant and equipment | 1,211                       | 57,172                             | 11                   | -                      | 58,394           |
| -land use rights                                   | -                           | 135                                | -                    | -                      | 135              |
| Depreciation and amortisation                      | <u>-277,822</u>             | <u>3,829</u>                       | <u>4</u>             | <u>-</u>               | <u>281,655</u>   |
| <b>Segment assets</b>                              | <u>538,916</u>              | <u>285,928</u>                     | <u>3,438</u>         | <u>-</u>               | <u>828,283</u>   |
| <b>Segment liabilities</b>                         | <u>538,916</u>              | <u>285,928</u>                     | <u>3,438</u>         | <u>-</u>               | <u>828,283</u>   |

Yamada Green Resources Limited

|  | Self-cultivation<br>RMB'000 | Processed food products<br>RMB'000 | Corporate<br>RMB'000 | Elimination<br>RMB'000 | Total<br>RMB'000 |
|--|-----------------------------|------------------------------------|----------------------|------------------------|------------------|
| <b>FY2013</b>  |                             |                                    |                      |                        |                  |
| <b>Revenue</b>                                       |                             |                                    |                      |                        |                  |
| Sales to external customers                          | 354,819                     | 154,351                            | -                    | -                      | 509,170          |
| Inter-segment revenues                               | 2,468                       | -                                  | -                    | (2,468)                | -                |
| <b>Total revenue</b>                                 | <b>357,287</b>              | <b>154,351</b>                     | <b>-</b>             | <b>(2,468)</b>         | <b>509,170</b>   |
| <b>Segment results</b>                               | <b>64,467</b>               | <b>48,781</b>                      | <b>-</b>             | <b>-</b>               | <b>113,248</b>   |
| Interest income                                      | 16                          | 36                                 | 5                    | -                      | 57               |
| Other income   | 4,200                       | 904                                | -                    | -                      | 5,104            |
| Gain from changes in fair value of biological assets | 2,396                       | -                                  | -                    | -                      | 2,396            |
| Selling and distribution expenses                    | (3,091)                     | (4,357)                            | -                    | -                      | (7,448)          |
| Administrative expenses                              | (5,079)                     | (9,461)                            | (8,309)              | -                      | (22,849)         |
| Other operating expenses                             | (10,351)                    | (2,561)                            | (254)                | -                      | (13,166)         |
| Financial cost                                       | -                           | (28)                               | -                    | -                      | (28)             |
| Profit before income tax                             | 52,558                      | 33,314                             | (8,558)              | -                      | 77,314           |
| Income tax expenses                                  | -                           | (7,995)                            | (129)                | -                      | (8,124)          |
| <b>Profit after income tax</b>                       | <b>52,558</b>               | <b>25,319</b>                      | <b>(8,687)</b>       | <b>-</b>               | <b>69,190</b>    |
| <b>Other segment items</b>                           |                             |                                    |                      |                        |                  |
| Additions of biological assets                       | 242,180                     | -                                  | -                    | -                      | 242,180          |
| Capital expenditure                                  |                             |                                    |                      |                        |                  |
| -property, plant and equipment                       | 4,721                       | 21,110                             | -                    | -                      | 25,831           |
| -land use rights                                     | 4,746                       | 18,255                             | -                    | -                      | 23,001           |
| Depreciation and amortisation                        | 257,866                     | 2,268                              | 4                    | -                      | 260,138          |
| <b>Segment assets</b>                                | <b>550,358</b>              | <b>133,161</b>                     | <b>10,729</b>        | <b>-</b>               | <b>694,248</b>   |
| <b>Segment liabilities</b>                           | <b>1,850</b>                | <b>20,567</b>                      | <b>4,883</b>         | <b>-</b>               | <b>27,300</b>    |

**(b) Geographical information**

Sales to external customers

|       | <b>Financial Year Ended</b>     |                                 | <b>Change<br/>%</b> |
|-------|---------------------------------|---------------------------------|---------------------|
|       | <b>30 June 2014<br/>RMB'000</b> | <b>30 June 2013<br/>RMB'000</b> |                     |
| PRC   | <b>489,784</b>                  | 412,444                         | 18.7                |
| Japan | <b>121,638</b>                  | 96,726                          | 25.7                |
|       | <b>611,422</b>                  | <b>509,170</b>                  | 20.1                |

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to "Review of Performance of the Group" in paragraph 8 above.

16. **A breakdown of sales.**

| <b><u>The Group</u></b>                 | <b>FY2014<br/>RMB'000</b> | <b>FY2013<br/>RMB'000</b> | <b>Change<br/>%</b> |
|---|---------------------------|---------------------------|---------------------|
| Sales reported for the first half year  | <b>272,766</b>            | 212,587                   | 28.3                |
| Profit after tax                        | <b>46,272</b>             | 17,698                    | 161.5               |
| Sales reported for the second half year | <b>338,656</b>            | 296,583                   | 14.1                |
| Profit after tax                        | <b>56,318</b>             | 51,492                    | 9.3                 |

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

|                 | <b>FY2014<br/>RMB'000</b> | <b>FY2013<br/>RMB'000</b> |
|-----------------|---------------------------|---------------------------|
| Ordinary shares | 6,026                     | 6,463                     |

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(3) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

| Name         | Age | Family relationship with any director, CEO and/or substantial shareholder | Current position and duties, and the year the position was first held  | Details of changes in duties and position held, if any, during the year                  |
|--------------|-----|---|--|--|
| Chen Qiufa   | 49  | Brother of Chen Qiu Hai, Executive Chairman and CEO                       | General Manager of Zhangping Fengwang Agricultural Products Co., Ltd<br>2008<br><br>Mr Chen is responsible for overall management of shiitake mushroom cultivation bases and heads the cultivation, administration and finance department at Zhangping Fengwang Agricultural Products Co., Ltd.. | N.A.   |
| Goi Kok Neng | 37  | Son of Goi Seng Hui, Substantial Shareholder of the Company               | Non-Executive Director<br>2013<br><br>Mr Goi discharge his duties as a member of the Nominating Committee under its Terms of Reference of each Committee.  | Mr.Goi has ceased as a member of Remuneration Committee with effect from 7 November 2013 |

**BY ORDER OF THE BOARD**

**Chen Qiu Hai**  
**Executive Chairman and CEO**  
 28 August 2014