YAMADA GREEN RESOURCES LIMITED

(Company Registration Number 201002962E)
(Incorporated in the Republic of Singapore)

UNAUDITED FINANACIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2019

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 30 September		
	FY2020 (Unaudited) RMB'000	**FY2019 (Unaudited) RMB'000** (Restated)	**Increase / (Decrease) %**
Revenue	19,395	14,260	36.0
Cost of sales	(17,814)	(14,708)	21.1
Gross results	1,581	(448)	n.m.
Revenue from investment properties	1,480	1,570	(5.7)
Other operating income	5,812	41	14,075.6
Selling and distribution expenses	(197)	(232)	(15.1)
Administrative expenses	(4,257)	(4,874)	(12.7)
Other operating expenses	(319)	(22)	1,350.0
Finance costs	(111)	(123)	(9.8)
Share of loss of associates classified as held for sale	(246)	(160)	53.8
Profit / (loss) before taxation	3,743	(4,248)	n.m.
Taxation	-	-	-
Total profit / (loss) for the period	3,743	(4,248)	n.m.
Other comprehensive income after tax			
Item that will never be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment - leasehold properties	-	-	-
Total comprehensive income	-	-	-
Total comprehensive income / (loss) for the period attributable to:			
Owners of the Company	3,743	(4,248)	n.m.
Profit / (loss) per share (RMB cents)			
- Basic	2.1	(2.4)	
- Diluted	2.1	(2.4)	

*n.m. – not meaningful

Note:

During the financial year ended 30 June 2019, the Group has reclassified the presentation of the analysis of expenses recognised in profit or loss using a classification based on their function instead of a mixture of by function and by nature which management believe will provide information that is reliable and that is more relevant. In addition, the management has identified that the rental income from investment properties is an operating business segment. Accordingly, certain figures in Q1FY2019 were restated to conform to the audited financial statements for financial year ended 30 June 2019. The effect of the above reclassification of presentation of expenses and restatement of revenue from the rental income from investment properties identified as an operating business segment is shown below:

	Group	
	3-months period ended 30 September	
	As previously stated FY2019 (Unaudited) RMB'000	**As restated FY2019 (Unaudited) RMB'000**
Revenue from rental income from investment properties	-	1,570
Other operating income	1,589	41
Other operating expenses	-	(22)

Accordingly, the reclassification is summarised as follows:

	Q1FY2019 RMB'000
Interest income	1
Miscellaneous income	40
Total other operating income	41

	Q1FY2019 RMB'000
Others	(22)
Total other operating expenses	(22)

The profit / (loss) before taxation of the group is arrived at after (charging)/crediting the following:

	Group		
	3-months period ended 30 September		**Increase / (Decrease)**
	FY2020 (Unaudited) RMB'000	**FY2019 (Unaudited) RMB'000**	**%**
Amortisation of land use rights	(135)	(135)	-
Amortisation of intangible assets	(5)	(2)	150.0
Depreciation of property, plant and equipment	(1,094)	(851)	28.6
Exchange gain / (loss), net	318	(252)	n.m.
Interest income	10	1	900.0
Interest expense	(111)	(123)	(9.8)
Property, plant and equipment written off	(2)	-	n.m.

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	
	30 Sept 19 (Unaudited) RMB'000	30 June 19 (Audited) RMB'000	30 Sept 19 (Unaudited) RMB'000	30 June 19 (Audited) RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	64,134	63,976	2	2
Land use rights	18,483	18,618	-	-
Intangible assets	98	70	-	-
Investment properties	180,698	180,698	7,770	7,770
Investments in subsidiaries	-	-	149,762	149,762
Investments in associates	-	-	-	-
Total non-current assets	263,413	263,362	157,534	157,534
Current assets				
Inventories	16,694	23,833	-	-
Trade and other receivables	26,663	25,306	146,569	146,595
Prepayments	118	86	118	86
Cash and bank balances	12,832	12,901	105	521
	56,307	62,126	146,792	147,202
Associates classified as held for sale	39,687	39,933	-	-
Total assets	**359,407**	**365,421**	**304,326**	**304,736**
Equity				
Share capital	322,210	322,210	322,210	322,210
Share-based payment reserve	2,016	2,016	2,016	2,016
Statutory reserve	71,135	71,135	-	-
Revaluation reserve	38,130	38,130	-	-
Other reserve	29,349	29,349	-	-
Accumulated losses	(169,764)	(173,507)	(30,450)	(28,912)
Total equity attributable to owners of the Company	293,076	289,333	293,776	295,314
LIABILITIES				
Non-current liabilities				
Bank borrowings	5,052	5,078	5,052	5,078
Deferred tax liabilities	32,805	32,805	-	-
Total non-current liabilities	37,857	37,883	5,052	5,078
Current liabilities				
Trade and other payables	28,088	34,835	5,112	3,974
Bank borrowings	386	3,370	386	378
Total current liabilities	28,474	38,205	5,498	4,344
Total liabilities	**66,331**	**76,088**	**10,550**	**9,422**
Total equity and liabilities	**359,407**	**365,421**	**304,326**	**304,736**

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

Amount repayable in one year or less, or on demand

As at 30 September 2019 (Unaudited)		As at 30 June 2019 (Audited)	
Secured (RMB'000)	**Unsecured (RMB'000)**	**Secured (RMB'000)**	**Unsecured (RMB'000)**
386	NA	3,370	NA

Amount repayable after one year

As at 30 September 2019 (Unaudited)		As at 30 June 2019 (Audited)	
Secured (RMB'000)	**Unsecured (RMB'000)**	**Secured (RMB'000)**	**Unsecured (RMB'000)**
5,052	NA	5,078	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 and RMB50 million granted by Postal Savings Bank of China and China Everbright Bank (the "Banks") respectively. Wangsheng has pledged its buildings and land use rights as collateral for the Facilities in favour of the Banks. In addition, the Executive Director 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.

On 26 September 2019, which was the maturity date of the Facilities granted by Postal Savings Bank of China, Wangsheng has fully repaid the outstanding amount of RMB3.0 million. Accordingly, Wangsheng's buildings and land use rights which pledged as collateral for the Facilities in favour of Postal Savings Bank of China couple with the personal guarantee provided by the Executive Director and CEO and his wife has been discharged.

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 PLUS (formerly known as GSH Plaza) in Singapore ("Acquisition"). The tenure of the loan 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. The office unit at PLUS in Singapore has been classified as an investment property to earn rental income.

As at 30 September 2019, the Group's outstanding loan amount was approximately RMB5.4 million, of which approximately RMB0.4 million is repayable within 1 year and the rest of the loan amount is 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 ended 30 September	
	FY2020 (Unaudited) RMB'000	FY2019 (Unaudited) RMB'000
Cash flows from operating activities:		
Profit / (loss) before taxation	3,743	(4,248)
Adjustments for:		
Amortisation of land use rights	135	135
Amortisation of intangible assets	5	2
Depreciation of property, plant and equipment	1,094	851
Interest expense	111	123
Interest income	(10)	(1)
Property, plant and equipment written off	2	-
Share of loss of associates	246	160
Exchange gain	(135)	252
Operating cash flows before working capital changes	5,191	(2,726)
Working capital changes:		
Inventories	7,139	(4)
Trade and other receivables	(1,389)	2,831
Trade and other payables	(6,747)	1,759
Cash generated from operations	4,194	1,860
Interest received	10	1
Income tax paid	-	(21)
Net cash generated from operating activities	4,204	1,840
Cash flows from investing activity:		
Acquisition of property, plant and equipment	(1,254)	(986)
Acquisition of intangible assets	(33)	-
Net cash used in investing activity	(1,287)	(986)
Cash flows from financing activities:		
Repayment of bank borrowings	(3,093)	(871)
Interest paid	(111)	(123)
Net cash used in financing activities	(3,204)	(994)
Net decrease in cash and cash equivalents	(287)	(140)
Cash and cash equivalents at beginning of the financial period	12,901	10,540
Effect of foreign exchange rate changes on cash and cash equivalents	218	(253)
Cash and cash equivalents at end of the financial period	12,832	10,147

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						
(RMB'000)	**Share capital**	**Other reserve – non distributable**	**Share-based payment reserve**	**Statutory reserve**	**Revaluation reserve**	**Accumulated losses**	**Total equity**
FY2020 (Unaudited)							
Balance at 1 July 2019	322,210	29,349	2,016	71,135	38,130	(173,507)	289,333
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	3,743	3,743
Total comprehensive income for the period	-	-	-	-	-	3,743	3,743
Balance as at 30 September 2019	322,210	29,349	2,016	71,135	38,130	(169,764)	293,076
FY2019 (Unaudited)							
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	-	-	-	-	-	(4,248)	(4,248)
Total comprehensive loss for the period	-	-	-	-	-	(4,248)	(4,248)
Balance as at 30 September 2018	322,210	-	2,016	71,135	35,775	(142,751)	288,385

	Company			
(RMB'000)	**Share capital**	**Share based payment reserve**	**Accumulated losses**	**Total equity**
FY2020 (Unaudited)				
Balance as at 1 July 2019	322,210	2,016	(28,912)	295,314
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(1,538)	(1,538)
Total comprehensive loss for the period	-	-	(1,538)	(1,538)
Balance as at 30 September 2019	322,210	2,016	(30,450)	293,776

(RMB'000)	Company			
	Share capital	Share based payment reserve	Accumulated losses	Total equity
FY2019 (Unaudited)				
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	-	-	(1,707)	(1,707)
Total comprehensive loss for the period	-	-	(1,707)	(1,707)
Balance as at 30 September 2018	322,210	2,016	(25,402)	298,824

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 2019.

The Company has no outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2018 and 30 September 2019.

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	
	30 Sept 19 (Unaudited)	30 June 19 (Audited)	30 Sept 19 (Unaudited)	30 June 19 (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 30 September 2019.

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 2019.

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 the Singapore Financial Reporting Standards (International) ("FRS(I)s") that are effective for the annual periods beginning on or after 1 January 2019 and are relevant to its operations. The adoption of these new FRS(I)s does not result in any changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current financial period or prior financial years.

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 30 September	
	FY2020 (Unaudited)	FY2019 (Unaudited)
Net profit / (loss) for the period (RMB'000)	3,743	(4,248)
Basic loss per share (RMB cent)	2.1	(2.4)
Diluted loss per share (RMB cent)	2.1	(2.4)

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 (2019: 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	
	30 Sept 19 (Unaudited)	30 June 19 (Audited)	30 Sept 19 (Unaudited)	30 June 19 (Audited)
Net Asset Value per share (RMB cents)	165.8	163.7	166.2	167.0

The net asset value per ordinary share of the Group and the Company as at 30 September 2019 and 30 June 2019 were calculated based on the issued share capital of the Company of 176,798,164 as at 30 September 2019 and 30 June 2019.

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.

Review of Performance

Q1FY2020 vs Q1FY2019

	Q1FY2020 (Unaudited)		Q1FY2019 (Unaudited)	
	RMB'000	%	RMB'000	%
Processed food products	19,395	100.0	14,260	100.0
Total revenue	19,395	100.0	14,260	100.0

Revenue of processed food products increased by RMB5.1 million from RMB14.3 million in first quarter ended 30 September 2018 ("Q1FY2019") to RMB19.4 million in first quarter ended 30 September 2019 ("Q1FY2020") due to the increase in sales to both overseas and domestic customers. The increase in sales to overseas and domestic customers was attributable to higher sales volume of bamboo shoots, mushroom and konjac jelly. In addition, the increase in sales to overseas and domestics customers was also achieved on the back of higher average selling price of mushroom for domestic market and konjac jelly for overseas markets.

Cost of sales increased by RMB3.1 million to RMB17.8 million in Q1FY2020 as compared to RMB14.7 million in Q1FY2019 in tandem with increase in revenue.

The Group recorded a gross profit of RMB1.6 million in Q1FY2020 as compared to gross loss of RMB0.4 million in Q1FY2019 due mainly to higher sales volume and average selling price. As a result of the above, the Group recorded a gross profit margin of 8.2% in Q1FY2020 as compared to gross loss in Q1FY2019.

Revenue from investment properties record a marginal decrease of RMB0.1 million from RMB1.6 million in Q1FY2019 to RMB1.5 million in Q1FY2020 due to decrease in space rented out as there are tenants who terminated their tenancy agreement during the financial period.

Other operating income recorded in Q1FY2020 comprised of penalty payment receipt, interest income, sale of raw materials and other miscellaneous income. The penalty payment receipt of RMB5.0 million was related to penalty paid by Golden Sea International Holdings Limited for fail to achieve total earnings of at least RMB50 million for the financial year ending 31 December 2016, 2017 and 2018 by Fujian Tianwang Foods Co., Limited and its subsidiary, Sanming Sennong Forestry Co., Ltd. ("the Associates"), that the Group owns 45% of its shareholding. Please refer to the Company's announcements dated 29 July 2019 and 2 September 2019 for full information.

Selling and distribution costs recorded at RMB0.2 million in both Q1FY2020 and Q1FY2019.

Administrative expenses decreased by RMB0.6 million from RMB4.9 million in Q1FY2019 to RMB4.3 million in Q1FY2020 due mainly to decrease in research expenditures and lower foreign exchange losses incurred.

Other operating expenses recorded in Q1FY2020 mainly comprised of cost of raw materials and property, plant and equipment written off.

The Group recorded finance costs of RMB0.1 million in both Q1FY2020 and Q1FY2019.

Share of results of associates classified as asset held for sale of loss of RMB0.2 million relates to the Associates, that the Group owns 45% of its shareholding.

As a result of the above, the Group recorded a profit after tax of RMB3.8 million for Q1FY2020, as compared to loss after tax of RMB4.2 million for Q1FY2019.

Review of Balance Sheet

Non-current assets increased by RMB0.1 million, from RM263.3 million as at 30 June 2019 to RMB263.4 million as at 30 September 2019 due mainly to acquisition of property, plant and equipment of RMB1.3 million which was partially offset by depreciation and amortisation expenses of RMB1.2 million during the financial period.

Current assets decreased by RMB5.8 million, from RMB62.1 million as at 30 June 2019 to RMB56.3 million as at 30 September 2019 due to decrease in inventories of RMB7.1 million which was partially offset by an increase in trade and other receivables of RMB1.4 million. The decrease in inventories was due mainly to reduction of finished goods as a result of the increased sales during the financial period. Meanwhile, the increase in trade and other receivables in tandem with increase in sales to overseas customers during the financial period.

Associates classified as held for sale related to proposed disposal of the Associates, that the Group owns 45% of its shareholding. Please refer to the Company's announcements dated 23 April 2019, 21 June 2019 and 4 September 2019 for full information.

The Group recorded non-current liabilities of RMB37.9 million as at 30 June 2019 and as at 30 September 2019.

Current liabilities decreased by RMB9.9 million, from RMB38.2 million as at 30 June 2019 to RMB28.3 million as at 30 September 2019 due to decrease in trade and other payables and short-term bank borrowings of RMB6.7 million and RMB3.0 million respectively. The decrease in trade and other payables was due mainly to settlement of overdue suppliers' accounts during the financial period. Meanwhile, the decrease in short-term bank borrowings was due to repayment during the financial period.

Review of Cash Flow Statement

Q1FY2020 vs Q1FY2019

For Q1FY2020, the Group recorded a net cash inflow of RMB4.2 million from operating activities as compared to net cash inflow of RMB1.8 million in Q1FY2019. This was mainly attributable to higher profit generated during the financial period couple with lower inventories which were partially offset by higher receivables and lower payables and borrowings.

Net cash used in investing activities was RMB1.3 million in Q1FY2020 which was mainly due to capital expenditure on acquisition of property, plant and equipment.

There was a net cash outflow of RMB3.2 million from financing activities in Q1FY2020 arising from repayment of bank borrowings.

As a result of the above, cash and cash equivalents increased from RMB10.1 million as at Q1FY2019 to RMB12.8 million as at Q1FY2020.

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.

In light of the challenging macroeconomic conditions arise from the trade war between the PRC and the United States of America couple with low growth and intense competition of the food industry, the Group have taken prudent steps towards the road to recovery through stringent cost management and safeguard the business relationship with the major customers.

Meanwhile, with an aim of retaining its processed food products leadership position in its home market of Fujian Province and strengthening its long-term competitiveness to maintain the overall profitability, the Group will also focus on high value-added processed foods products and proactively explore new customers and new markets. 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 FY2020 to marginally improve compare to FY2019.

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 30 September 2019.

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 2019 to 30 September 2019:

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 30 September 2019. 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 30 September 2019 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 Qiuhai
Executive Chairman and CEO
31 October 2019