

Yamada Green Resources Limited

FOCUSING ON OUR STRENGTHS

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Annual Report 2015

CONTENTS

- 01 Corporate Profile
- 02 Our Products
- 04 Chairman's Statement
- 08 主席致辞
- 10 Financial Highlights
- 11 Operations Review
- 14 Board of Directors
- 16 Key Management Personnel
- 18 Group Structure
- 19 Corporate Information



CORPORATE PROFILE







"Revenue from our bamboo business increased to approximately RMB74.4 million in FY2015 from approximately RMB13.0 million in FY2014, representing more than fivefold increase."

Yamada is a major grower, manufacturer and supplier of fresh and processed agricultural products in Fujian Province, the People's Republic of China ("PRC"). Our products consist of two major segments: self-cultivation segment and processed food segment. Yamada's self-cultivated products comprise of moso bamboo trees, bamboo shoots and shiitake mushroom. They are mainly sold as fresh produce to wholesalers of agricultural food products in the domestic markets. Our processed food products include processed mushrooms, processed vegetables, water-boiled bamboo shoots and konjac-based dietary fibre food products. They are sold in major cities in PRC through our well established network under our trademarked brands, such as "旺成食品", "研食坊" and "第七庄园", and are exported to overseas markets, mainly Japan, under our customers' brand names.

We also possess upstream resources with sawdust from our eucalyptus plantations which can be utilised for the production of synthetic logs used in the cultivation of shiitake mushrooms and the spring bamboo shoots from our bamboo plantations which can be supplied to our processed food business as raw material for our processed bamboo shoots.

OUR PRODUCTS



Self-cultivated Shiitake Mushrooms

Most of our self-cultivated shiitake mushrooms are harvested and sold as fresh produce, while the remaining undergo further processing before being sold as dried products. They are sold mainly to wholesalers of agricultural food products in the PRC, who in turn sell our products to restaurants, supermarkets and retailers. The harvesting period is from October to April.



Self-cultivated Moso Bamboo Trees and Bamboo Shoots

We commenced harvesting of moso bamboo trees, winter bamboo shoots and spring bamboo shoots since FY2014. Currently, we own 115,992 mu of bamboo plantations in Fujian Province. The moso bamboo trees and bamboo shoots are sold to wholesalers in the PRC. Part of the spring bamboo shoots are supplied to our processed food business as raw material for our processed bamboo shoots.



Processed Food Products

Our processed food products are manufactured from various types of fresh vegetables and semi-processed food products purchased from our suppliers. We also produce konjac-based dietary fibre food products. They are distributed and sold to the PRC consumers mainly through local supermarket chains in major cities under our own brands, and to overseas markets, mainly Japan, under our customers' brand names.

NOURISHING GREATER OPPORTUNITIES

CHAIRMAN'S STATEMENT



CHEN QIUHAI Executive Chairman and Chief Executive Officer

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, it is my honour to present to you our Annual Report of Yamada Green Resources Limited ("Yamada") for the financial year ended 2015 ("FY2015").

The Group's revenue decreased by 17.6% from RMB611.4 million in the financial year ended 2014 ("FY2014") to RMB503.9 million in FY2015. The decrease was mainly due to the lower sales in the self-cultivation segment. Revenue from selfcultivation segment decreased from RMB419.3 million in FY2014 to RMB315.3 million in FY2015. In line with our strategy, we intend to diversify risk by reducing our reliant on shiitake mushroom business and expand into bamboo business segment. During the financial year, we produced and sold lesser shiitake mushroom as compared to FY2014 due to scaling back in our shiitake mushroom cultivation farmland. During the harvesting season, we operated 3,342 mu of shiitake mushroom cultivation farmland, a decrease from 5,134 mu in the previous year. As a result, sales from shiitake mushrooms decreased from RMB387.9 million, or 37.9% in FY2014 to BMB240.9 million in FY2015.

Since last financial year, our harvest from moso bamboo trees and bamboo shoots have yielded positive results. Moso bamboo trees are used in variety of applications such as building and renovation materials and in furniture, textile and paper and pulp industries. Bamboo shoots are also one of the most popular vegetables in the PRC due to their favourable taste and health benefits. During the FY2015, our harvesting period for bamboo plantation started from September 2014 to April 2015. We believe that the bamboo business will continue to generate stable income in future due to moso bamboo trees and bamboo shoots' higher resilience to fluctuating climatic conditions experienced in recent years in the PRC.

Our focus on growing our bamboo plantation holdings has resulted in a significant expansion of our moso bamboo plantations from 33,845 mu to 115,992 mu in FY2015. This resulted in more than five-fold increase in revenue from sales of moso bamboo trees and bamboo shoots, from RMB13.0 million in FY2014 to RMB74.4 million in FY2015. "In terms of profitability, as we realise the benefits of an expansion of our bamboo holdings, we expect the higher profit margin from this bamboo business to continue to contribute positively to our overall Group results. Moreover, part of the spring bamboo shoots harvested from our bamboo plantations will continue to be supplied to our processed food business segment as raw materials used in the production of processed bamboo shoots."

Sale from our processed food segment decreased approximately RMB3.5 million or 1.8% from RMB192.1 million in FY2014 to RMB188.6 million in FY2015. This was mainly due to the lower domestic sales of processed mushrooms as a result of increased supplies of processed mushrooms in the local market. In addition, we produced smaller quantities of the existing konjac-based dietary fibre food products subsequent to the changes in our production and sales strategy in the domestic market. In the near future, we are planning to launch new konjac-based convenience food products following our continuous effort in the research and development of them.

The Group's gross profit decreased by approximately RMB24.5 million or 16.7% from RMB146.9 million in FY2014 to RMB122.4 million in FY2015. However, our overall gross profit margin remained constant at 24.3% in FY2015 compared to 24.0% in FY2014.

Outlook and Strategy

As we enter into a new financial year, we believe our existing business strategy will continue to ripe good performance amid the slowdown in China economy. Our long-term strong customer relationship also set us apart from competitors to stay ahead. We are also confident that our products are well-positioned to leverage on the health-conscious middle and upperincome consumers with our healthy edible fungi and bamboo shoots products as well as existing konjacbased convenience food products. Additionally, we will enhance our own branded product positioning and extend the sales and distribution network in this business segment.

In terms of profitability, as we realise the benefits of an expansion of our bamboo holdings, we expect the higher profit margin from this bamboo business to continue to contribute positively to our overall Group results. Moreover, part of the spring bamboo shoots harvested from our bamboo plantations will continue to be supplied to our processed food business segment as raw materials used in the production of processed bamboo shoots.

CHAIRMAN'S STATEMENT

In FY2016, we will commence harvesting moso bamboo trees from our newly-leased 67,000 mu of bamboo plantations in Jiangle. We will also commence operations in another newly-leased 15,147 mu of bamboo plantations in Pucheng. As such, the total yield of our moso bamboo trees and bamboo shoots will likely increase on a year-on-year basis.

In terms of our physical assets, we have almost completed the construction of our new processing plants in Tie Ling Economic and Technological Development Zone. In July 2015, our production lines of processed food products were relocated to the new processing plants from our premises in the Houyu Food Industry Zone. Consequently, the annual production capacity of our processed food products is slated to increase. Fundamental market trends have not changed much. In fact, they continue to augur well for our business. Trends such as greater health consciousness among consumers and growing urbanisation create ripe opportunities and developing demand for our products.

Strategic acquisition

In September 2014, we announced a proposed acquisition of a 10-year lease of 67,000 mu of bamboo plantations from Jiangle Shanfeng Bamboo Co., Ltd for a consideration of RMB234.5 million. We commenced operating these plantations in November 2014. In June 2015, to further expand our bamboo plantations, we entered into a 10-year lease agreement with Pu Cheng County Min Pu Osmanthus Seedling Plants Cooperative to increase our bamboo plantations by 15,147 mu for a consideration of RMB48.5 million.



Proposed dividend

In recognition of our valued shareholders' support, the Board has recommended a first and final taxexempt dividend of RMB0.006 per ordinary share for FY2015 to be approved at the upcoming Annual General Meeting of the Company.

Strengthening our Capital Base

As we forge forward, executing our corporate growth strategy, we require a solid capital base. Towards that end, we have undertaken some fund raising activities during the financial year 2015. In August 2014, we completed a placement of 35 million new ordinary shares, raising a total fund of about \$\$5.7 million. Further to that, in September 2015, we successfully issued and allotted approximately 270.3 million new rights shares, raising a gross proceed of approximately \$\$18.9 million.

Conclusion

At this juncture, allow me to express my sincere appreciation to our directors, management and staff for their advice and effort over an eventful year. Let us continue to work together to bring forth the huge potential in our evolving Group. I would also like to thank our shareholders for keeping the faith. Together, we look forward to the future.

Chen Qiuhai

Executive Chairman and Chief Executive Officer.



"我们有信心集团的的食用菌、竹笋以及魔芋膳食纤维 方便食品是健康意识较强的中高收入群体的主要食品选 项之一。此外,我们也会加强自身品牌产品定位,并 且,扩展主营业务的分销网络。"

尊敬的各位股东,

在此,我谨代表山田绿色资源有限公司(以下简称山田)董事会,向各位汇报截止2015年6月30日 ("2015财年")的集团年报。

集团的营业额较2014财年下降17.6%,从2014财年的6亿1140万人民币减少至2015财年的5亿390万人民币。这主要是来自自种业务销售额的减少。自种业务的销售额从2014财年的4亿1930万人民币减少至3亿1530万人民币。根据集团策略,为了分散营业风险,我们逐步扩展毛竹林业务来减少对香菇业务的依赖。与2014财年相比,我们在2015财年的香菇种植地缩小了,香菇的产量和销售额也随之减少。在2015财年香菇收成期间,我们经营3,342亩香菇种植基地,而2014财年则是5,134亩。因此,香菇的销售额从2014财年的3亿8790万人民币减少至2015财年的2亿4090万人民币(或下降37.9%)。

从上个财年起,我们的毛竹林业务取得了良好的业 绩。竹子的用途广泛,可用在建筑、材料、家具、纺 织和纸浆等行业。同时,竹笋因为其美味和保健的功 效,使它成为中国最受欢迎的使用蔬菜之一。在2015 财年,竹子和竹笋的收成期是从2014年9月至2015年 4月。竹林的收成受到显著气候变化的负面影响相对 较小,我们相信竹林业务在未来会继续成为集团稳定 的收入来源之一。

在2015财年,我们的毛竹林面积从33,845亩扩充至 115,992亩,竹子和竹笋的营业额从2014财年的1300 万增加至7440万,相当于增加了5倍以上。 食品加工业务的销售额从2014财年的1亿9210万人民 币减少至2015财年的1亿8860万人民币,共减少了 350万人民币(或下降1.8%)。这主要是由于国内市 场加工香菇供应量增加导致我们加工香菇的内销减少 了。此外,随着我们在国内市场的产品和销售策略的 调整,现有的魔芋膳食纤维食品产量也随之减少。经 过对魔芋产品不断的深入研发之后,我们计划在近期 推出以魔芋为主的新方便食品。

集团的毛利减少了2450万人民币(或下降了16.7%), 从2014财年的1亿4690万人民币减少至2015财年的1 亿2240万人民币。然而,与2014财年相比,集团在 2015财年的整体毛利率仍维持在24.3%。

远景和战略

迈入新的财年,尽管中国经济有放缓趋势,我们相信 根据集团现有的经营战略能够在新的财年有所斩获。 凭借和客户的长期紧密合作关系也让我们在众多竞争 者中站稳脚步。我们有信心集团的的食用菌、竹笋以 及魔芋膳食纤维方便食品是健康意识较强的中高收入 群体的主要食品选项之一。此外,我们也会加强自身 品牌产品定位,并且,扩展主营业务的分销网络。

在2016财年,我们将开始从新租赁的67,000亩毛竹 林中收成竹子。同时,我们也会开始经营新租赁的 15,147亩毛竹林。因此,我们的毛竹和竹笋总产量也 会逐年增加。



我们在铁岭经济技术开发区的新加工厂房基本已完成 建设。2015年7月,我们的食品加工生产线已从厚屿 食品工业园搬迁至新的加工厂房。这么一来,我们加 工食品的年产能也将会增加。

基本的市场趋势没有显著改变。随着日益增加的消费 者健康意识以及城镇化发展的趋势为集团带来源源不 断的商机。

战略收购

2014年9月,我们宣布计划和将乐山丰竹业有限公司 签订租赁67,000亩为期10年的协议,租金总额为2亿 3450万人民币。2014年11月,我们开始经营这些竹 林。2015年6月,我们进一步扩充了毛竹林,与浦城 闽浦桂花苗圃合作社签订了15,147亩毛竹林为期10年 的协议,租金总额为4850万人民币。

拟派股息

为了回馈我们股东支持,董事会将会在即将到来的股 东大会上提议2015财年拟派发每股免税股息0.006人 民币。

加强资本基础

随着集团的不断发展,为了实施公司的发展战略,我 们在2015财年,进行了一些融资活动。2014年8月, 我们完成增发35,000,000股普通新股,融资总额约为 570万新币。此外,2015年9月,我们成功配售和发行 和了270,333,587股普通新股,融资总额约为1890万 新币。

总结

我在此谨向我们的董事、管理层以及全体员工在这一 年中做出的贡献表示感谢,我们会继续共同努力,发 挥集团的无限潜力,让山田更上一层楼。同时,我也 要感谢股东对我们的支持,让我们一同展望未来。

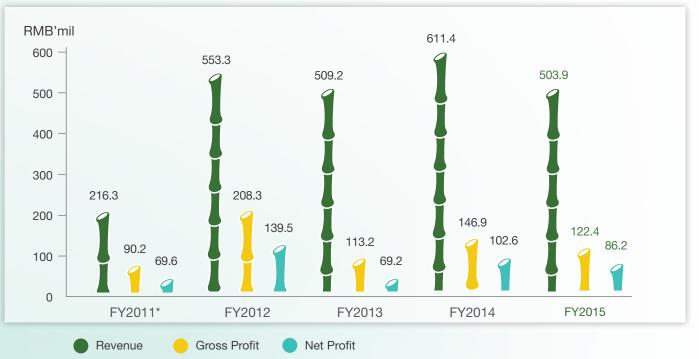
陈秋海

执行主席兼首席执行官

FINANCIAL HIGHLIGHTS

(RMB'mil)	FY2011*	FY2012	FY2013	FY2014	FY2015
Revenue	216.3	553.3	509.2	611.4	503.9
Gross Profit	90.2	208.3	113.2	146.9	122.4
Gross Profit Margin (%)	41.7	37.6	22.2	24.0	24.3
Net Profit	69.6	139.5	69.2	102.6	86.2
Net Profit Margin (%)	32.2	25.2	13.6	16.8	17.1

REVENUE, GROSS PROFIT AND NET PROFIT



* Refer to 6-month period from 1 January 2011 to 30 June 2011.

REVENUE BREAKDOWN FOR FY2015



OPERATIONS REVIEW

Yamada is a major grower, manufacturer and supplier of fresh and processed agricultural products in Fujian Province, PRC. Our products consist of two major segments: self-cultivation segment and processed food segment. Our self-cultivated products comprise of shiitake mushroom, moso bamboo trees and bamboo shoots. The products are mainly sold to wholesalers of agricultural products in the domestic markets.

During the harvesting season in FY2015, we operated 3,342 mu of shiitake mushroom cultivation farmland compared to 5,134 mu of shiitake mushroom farmland in FY 2014. (1 mu equals approximately 667 square metres). Most of our self-cultivated shiitake mushroom are sold as fresh produce while, the rest are manufactured as dried products for sale.

We currently own 38,334 mu of eucalyptus plantations as of 30 June FY2015 (FY2014: 51,193 mu) which, provide sawdust used to produce synthetic logs for the cultivation of our shiitake mushroom.

We have commenced harvesting of moso bamboo trees, winter bamboo shoots and spring bamboo shoots since FY2014. During the harvesting season in FY2015, we operated 100,845 mu of bamboo plantations. Part of our self-cultivated spring bamboo shoots are supplied to our processed food business as raw material for our processed bamboo shoots.

In late June 2015, we entered into an agreement to lease another 15,147 mu of bamboo plantations. These plantations were not included in the valuation as at 30 June 2015 as the plantations were not in our operation on the valuation date. Therefore, the fair value of moso bamboo trees and bamboo shoots in these plantations was not included in the biological assets as at financial year end.

Our processed food products include processed mushrooms, processed vegetables, water-boiled bamboo shoots and konjac-based dietary fibre food products. They are sold in major cities in PRC through our well-established network under our trademarked brands, such as "旺成食品", "研食坊" and, "第七庄园" and are exported to overseas markets, mainly Japan, under our customers' brand names.

REVENUE

Our revenue decreased by approximately RMB107.5 million or 17.6%, to approximately RMB503.9 million in FY2015 from RMB611.4 million in FY2014.

The decrease in revenue was mainly due to lower sales derived from our self-cultivation business segment. Revenue from self-cultivation business segment was RMB 315.3 million in FY2015, a decrease of RMB 104.0 million or 24.8 %, compared to RMB 419.3 million in FY2014.

Sales of our self-cultivated shiitake mushrooms were approximately RMB240.9 million in FY2015, a decrease of approximately RMB147.0 million or 37.9% from approximately RMB387.9 million in FY2014. We produced and sold approximately 34,120 tons of shiitake mushrooms in FY2015 compared to approximately 54,380 tons in FY2014. This was mostly due to the scaling back of shiitake mushroom cultivation farmland.

The average selling price of our fresh shiitake mushroom remained constant at approximately RMB7.1 per kg compared to the same period in the last financial year.

The Group exited the black fungus business and did not make any sales in FY2015. In line with our growth strategy, we decided not to renew the lease for black fungus cultivation land after its expiration on 30 June 2014. In FY2014, there was approximately RMB14.1 million sales generated from black fungus.

Revenue from our moso bamboo business increased to approximately RMB74.4 million in FY2015 from approximately RMB13.0 million in FY2014, representing more than a fivefold increase. There were approximately 34,230 tons of bamboo trees and 23,750 tons of bamboo shoots harvested and sold in FY2015, in contrast to approximately 15,600 tons of bamboo trees and 357 tons of bamboo shoots in FY2014. Out of the bamboo shoots harvested in FY2015, there were approximately 21,540 tons sold to external customers.

Sales from the processed food product business segment decreased by approximately RMB3.5 million or 1.8%, to approximately RMB188.6 million in FY2015 from approximately RMB192.1 million in FY2014. It was primarily due to lower domestic sales of processed mushrooms as a result of higher supplies of processed mushrooms in

OPERATIONS REVIEW

the local market. Furthermore, production volume of the existing konjac-based dietary fibre food products also decreased subsequent to the changes in our production and sales strategy in the domestic market.

GROSS PROFIT

Our gross profit decreased by RMB24.5 million or 16.7%, to approximately to RMB122.4 million in FY2015, from approximately RMB146.9 million in FY2014. The overall gross profit margin remained constant at 24.3% in FY2015 compared to 24.0% in FY2014.

The gross profit margin of our cultivation business segment rose to 20.8% in FY2015 from 20.3% in FY2014. This was mainly due to the contribution from our moso bamboo business which has a higher gross profit margin of approximately 37% in FY2015. The increase of gross profit margin from moso bamboo trees and bamboo shoots was partly offset by a decline in gross profit margin of shiitake mushroom as a result of increased labour costs in production of synthetic logs and harvesting of shiitake mushrooms in FY2015.

The gross profit margin of our processed food products business segment decreased to 30.1% in FY2015 from 32.1% in FY2014, mainly due to an increase in labour costs in FY2015.

SEGMENT REVENUE

Product Segments

In FY2015, the revenue from our self-cultivation business segment amounted to RMB315.3 million or 62.6% of total Group revenue. Meanwhile, sales in our processed food product segment amounted to RMB188.6 million or 37.4% of Group revenue.



Geographical Segments

During FY2015, China remained our main market with sales of RMB 371.2 million or 73.7% while Japan was our secondary market with sales of RMB 132.7 million or 26.3%.

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 moso bamboo trees and bamboo shoots at each balance sheet dated of the financial year. A net gain from changes in fair value of biological assets of approximately RMB18.2 million was recognised in FY2015 (FY2014: approximately RMB13.0 million). As at 30 June 2015, there were 38,334 mu (FY2014: 39,735 mu) of eucalyptus plantations and 100,845 mu (FY2014: 33,845 mu) of bamboo plantations under valuation. We harvested approximately 1,401 mu and 5,924 mu of eucalyptus trees in FY2015 and FY2014 respectively.

The loss from changes in fair value of eucalyptus trees was approximately RMB51.4 million. It was mainly attributable to the fact that the expected timber reserves of the eucalyptus trees in the plantations in the future are smaller than those generated in the previous years due to unfavourable weather.

On the other hand, there was a gain of approximately RMB69.6 million from changes in fair value of moso bamboo trees and bamboo shoots as a result of 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 the moso bamboo trees and bamboo shoots.

FINANCIAL POSITION

Our non-current assets increased by approximately RMB219.1 million or 43.7% to approximately RMB720.9 million as at 30 June 2015, from approximately RMB501.8 million as at 30 June 2014. The increase was attributable to prepayments for our 82,147 mu of bamboo plantations and 38,334 mu of eucalyptus plantations amounting to approximately RMB236.0 million and RMB14.0 million respectively, additional investment in property, plant and equipment by approximately RMB75.3 million for the completion of construction of another three new processing plants and additional construction-in-progress for new plants in Tie Ling Economic and Technological Development Zone and our R&D Centre in Houyu Food Industry Zone in Fuzhou City. In addition, there was a gain in fair value of biological assets amounting to RMB18.2 million. The increase was partly offset by the decrease in land use rights of approximately RMB73.5 million, as well as amortisation and depreciation of non-current assets and a refund from prepaid lease of approximately RMB16.8 million subsequent to the termination of lease for 1,792 mu of shiitake mushroom farmland.

Our current assets decreased by approximately RMB107.9 million or 33.1% to approximately RMB218.5 million as at 30 June 2015, from approximately RMB326.4 million as at 30 June 2014. It was mainly due to the decrease in other receivables such as, reduced advances to suppliers of mushroom synthetic logs for the termination of mushroom cultivation farmland of approximately 2,158 mu, a refund of deposit made to external business partners subsequent to the termination of agreements for the investment and tentative business collaboration, and reduced prepayments made to the suppliers of equipment and machinery and contractors of our new processing plants and R&D Centre. The value of biological assets (synthetic logs) also decreased as there will be fewer synthetic logs to be utilised for cultivation of mushrooms in the next financial year. The decrease of current assets was partially offset by an increase in prepaid lease for our newly-leased bamboo plantations and eucalyptus plantations. Additionally, there were increases in the inventories and cash and bank balances of approximately RMB2.7 million and RMB5.8 million respectively.

Our current liabilities increased by approximately RMB3.6 million or 6.2% to approximately RMB62.1 million as at 30 June 2015, from approximately RMB58.5 million as at 30 June 2014. The increase was primarily due to new bank borrowings from the Postal Savings Bank of China and partly offset by a decrease in trade and other payables, particularly, decrease in advances from our customers.

Equity holders' interest increased by approximately RMB107.5 million or 14.0%, from approximately RMB766.0 million as at 30 June 2014 to approximately RMB873.5 million as at 30 June 2015 as a result of retention of net profit and issue of new ordinary shares in FY2015.

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2015, we recorded net cash generated from operating activities of approximately RMB275.7 million. This consisted of cash generated from operating activities before changes in working capital of approximately RMB293.0 million, working capital outflow of approximately RMB5.7 million, and net of cash outflow amounting to approximately RMB11.6 million from interest income received and income tax paid.



The net working capital outflow was mainly due to utilisation of synthetic logs amounting to approximately RMB133.1 million during the harvesting season.

A net cash of approximately RMB301.0 million was used in investing activities. This included a payment of approximately RMB279.5 million made for the newlyleased bamboo plantations, the purchase of property, plant and equipment and progressive payments made for the construction of new processing plants and R&D Centre amounting to approximately RMB87.8 million, and a prepaid lease of approximately RMB17.1 million for eucalyptus plantations. The net cash outflow was partly offset by proceeds from the disposal of land use rights of eucalyptus plantations amounting to approximately RMB66.0 million and a refund of pre-paid lease of approximately RMB16.8 million from the termination of lease for the shiitake mushroom farmland.

Net cash flow generated from financing activities was RMB31.2 million in FY2015. It was mainly due to net proceeds of approximately RMB27.6 million originating from share placement undertaken in FY2015, and additional bank borrowings of RMB42.0 million for working capital purposes. The amount was partly offset by a repayment of bank borrowings amounting to RMB30.0 million, a dividend payout for FY2014 of approximately RM6.4 million and interest payments for bank borrowings of approximately RMB2.0 million.

BOARD OF DIRECTORS



Chen Qiuhai

Lin Weibin

Chua Ser Miang

CHEN QIUHAI (陈秋海) Executive Chairman and Chief Executive Officer

Mr Chen Qiuhai is our Executive Chairman and Chief Executive Officer ("CEO"), and the founder of our Group. He was appointed as a director of our Company on 8 February 2010. He is responsible for overseeing the overall management, operations and business strategy of our Group. Prior to this, he was a manager at Fujian Tourism Company Ltd from 1988 to 1998, and was responsible for the company's sales and liaisons. He was the chief representative of a Japanese company named Yamashiro Nosan Co., Ltd. from 1994 to 1998 on a part-time basis, where he was responsible for negotiation, procurement, inspection and coordination with exporters of food products (mainly mushrooms and bamboo shoots) from PRC (Fujian and Shandong Provinces) to Japan. Since the establishment of Fuzhou Wangcheng Foods Development Co., Ltd ("Wangcheng"), he has received recognition for his contributions to Wangcheng, and was awarded the prestigious Outstanding Young Entrepreneur Award by the Communist Youth League Committee of Fujian Province in 2009. He graduated from Chinese People's Public Security University with a degree in Japanese language in 1988. Mr. Chen is also the director of Wangcheng, Nanping Yuanwang Foods Co., Ltd, Fuzhou Kangzhimei Foods Co. Ltd, and Feng Zhi Qiu International Holding Company Limited.

LIN WEIBIN (林卫斌) Executive Director

Mr Lin Weibin is our Executive Director and was appointed on 3 June 2014. He is also the Director of Wangcheng and Yuanwang, Group Head of Production and Sales and Head of Sales Department of Wangcheng. Mr Lin Weibin has joined Wangcheng as an assistant of general manager since January 2014 after more than 10 years of experience in Food and Beverage ("F&B") industry. He was mainly responsible for assisting general manager in developing and implementing the overall business strategy, overseeing the management and operation of Wangcheng. Prior to joining Wangcheng, he was a vice general manager in Longyan Zhongyuan Hotel Co., Ltd from 2006 to 2013. He was the person-in-charge of procurement and F&B department. He is proficient at Japanese language. From 1994 to 2003, he worked in three different food companies in Japan including Japan Shin-Shin Trading Co.Ltd., Japan Nissho Trading Co. Ltd and Japan Hukutaku Nittyuu Trading Co. Ltd. During the period in the Japanese companies, he was mainly involved in development and implementation of sales and marketing plans, supervision of import and export trading, and product quality management. He graduated from Fujian Normal University in 1988 with a degree in Education. He had been a lecturer in Fujian Normal University for five years after his graduation from the university.

CHUA SER MIANG (蔡斯敏) Lead Independent Director

Mr Chua Ser Miang is our Lead Independent Director, and was appointed to our Board on 23 September 2013. He is the Chairman of the Auditing and Nominating Committees and a member of the Remuneration Committee. Mr Chua has more than 20 years of experience in the financial industry. From 2000 to 2006, he worked at various financial institutions such as Overseas Union Bank Limited, HL Bank (Singapore branch), Daiwa Securities SMBC Singapore Limited and Asia Growth Capital Advisory Pte Ltd where he was involved mainly in corporate finance. From 2006 to 2012, Mr Chua was a Director of Corporate Finance in DMG & Partners Securities Pte Ltd, a stockbroking company. Mr Chua is currently the Director of Eastwin Capital Pte Ltd, a company providing business consultancy. Mr Chua obtained his Bachelor of Business Administration (Second Class Upper) from National University of Singapore in 1993. He is also a member of CFA Institute, USA.



Chang Feng-chang

Goi Kok Neng

Professor Tan Cheng Han

CHANG FENG-CHANG (张峰璋)

Independent Director

Mr Chang Feng-chang was appointed on 17 September 2010 as our Non-Executive Director and has been redesignated as an Independent Director on 21 August 2013. He is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. He is currently the Chief Executive Officer of Kingsley Capital International Pte. Ltd. From 2009 to 2010, he was a senior partner at Grant Thornton Zhonghua CPAs, where he oversaw the international client service, in particular assisting and advising Chinese clients on their global expansion. From 2000 to 2009, he was a partner at BDO Shanghai Zhonghua CPAs. He is also a Supervisory Board Member of Zhongde Waste Technology AG. He has been a member of the Institute of Certified Public Accountants of Taiwan since 2000, and a Certified Tax agent since 2001. He graduated from The University of Missouri in 1994 with a Master of Science in Accounting.

GOI KOK NENG (魏国龙)

Non-Executive Director

Mr Goi Kok Neng is our Non-Executive Director and was appointed on 15 May 2013. He was the Deputy Director in charge of overseas sales of Hong Kong-listed Trigiant Group Ltd, a leading manufacturer of mobile telecommunications cables in the PRC. Prior to Trigiant, he was General Manager of Singapore-based Honjji Foods (2005) Pte Ltd from 2005 to 2009 where he was responsible for streamlining the operations. Mr Goi started his career with global frozen foods manufacturer Tee Yih Jia ("TYJ") Group in 1999 in various aspects of the business - namely sales, marketing and operations of TYJ Group's world-famous spring roll pastry and roti paratha. He is also a Non-executive Director of Serial System Ltd, a company listed on the Singapore Stock Exchange, a Director of Mandarin Food Manufacturing Pte Ltd and a Director of Abaglobe (s) Pte. Ltd..

PROFESSOR TAN CHENG HAN (陈清汉教授) Non-Executive Director

Professor Tan Cheng Han is our Non-Executive Director, and was appointed to our Board on 23 September 2013. Professor Tan is a professor at the Faculty of Law of the National University of Singapore ("NUS"). Prior to this, he was a Partner in Drew & Napier's litigation department. Other appointments include being a board member of the Competition Commission of Singapore, the Accounting and Corporate Regulatory Authority, and the Singapore Sports Council. Professor Tan also serves on the Boards of various entities including Global Yellow Pages Limited, Chuan Hup Holdings Limited, Singapore Technologies Marine Ltd, Anwell Technologies Limited, Keppel Reit Management Limited, Caritas Singapore Community Council Limited, NTUC First Campus Cooperative Limited, Tokio Marine Life Insurance Singapore Ltd and Tokio Marine Insurance Singapore Ltd. Professor Tan was appointed Senior Counsel at the opening of the legal year in 2004 and was named one of the three Young Global Leaders from Singapore by the World Economic Forum in January 2005. He was also awarded the Public Administration Medal (Silver) in 2006. Professor Tan graduated from NUS in 1987 and obtained his Master of Law from the University of Cambridge in 1990.

KEY MANAGEMENT PERSONNEL

CHEW KIM KUAN (周金环) was appointed as our Financial Controller on 5 February 2014 and is overall in-charge of the financial matters of our Group. She oversees our Group's financial matters and compliance with post-listing obligations. She first joined our Group in March 2011 as our Investor Relations Manager. Her responsibilities included advising the Management regarding Investor Relations matters and engaging the investment community. In July 2012, she took on an additional portfolio by assisting in our Group's finance matters. Prior to joining our Group, she was an Associate Consultant with BDO LLP and was significantly involved in the audit of PRC-based IPOaspirants in the agricultural and manufacturing industries. From 2008 to 2009, she was an Audit Senior in Grant Thornton. She is a Chartered Accountant with the Institute of Singapore Chartered Accountant. She graduated with a Bachelor of Science Degree from Oxford Brookes University, U.K., England and an Accounting Professional Qualification from the Association of Chartered Certified Accountant (ACCA), both in 2007.

CHEN QIUFA (陈秋发) is our Head of Edible Fungi Cultivation Bases. He is a brother of our Executive Chairman and CEO, Chen Qiuhai. He was appointed as the general manager of Zhangping Fengwang Agricultural Products Co., Ltd. ("Fengwang") since 2008, and is responsible for the overall management of our edible fungi cultivation bases. He also directly heads the cultivation, administration and finance departments at Fengwang. Prior to joining Fengwang, he assisted in the feasibility study for the cultivation of shiitake mushrooms conducted by our Executive Chairman and CEO, Chen Qiuhai, from 2007 to 2008. He was a sole proprietor as a trader of shiitake mushrooms and bamboo shoots based in Beijing, the PRC, from 2003 to 2008. From 1998 to 2003, he was the deputy manager of Wangcheng, and was responsible for procurement of raw materials. He completed his high school education in Caoxi Middle School in 1982.

LIU LIPING (刘立平) is our Head of Administration and Procurement departments and is responsible for human resource, administrative matters and procurement of raw materials for Fuzhou Wangcheng Foods Development Co., Ltd ("Wangcheng"). He joined Wangcheng in 1998, overseeing the logistical operations for transport and warehousing of both raw and finished products. Prior to joining Wangcheng, he was a supervisor at Fujian Lionscore Sport Products Co., Ltd. from 1993 to 1998. From 1990 to 1993, he was a research and development assistant in Fuzhou Pharmaceutical Factory. He graduated from East China Institute of Chemical Technology with a degree in pharmaceutical studies in 1990. He was admitted as an assistant engineer by Fuzhou Personnnel Bureau in 1992. HUANG TING (黄庭) is our Deputy Head of Edible Fungi Cultivation Bases. He was appointed as the deputy general manager of Fengwang since 2008, and assists Chen Qiufa in the overall management of our edible fungi cultivation bases. He also directly heads the sales department and supervises the head of the technical department at Fengwang. He joined Wangcheng in 1999, as a supervisor in the production department. From 2005 to 2008, he was appointed as the general manager of Nanping Yuanwang Foods Co., Ltd ("Yuanwang"), where he oversaw the overall management of Yuanwang. He completed his high school education in Longyan No.3 Middle School in 1987.

LIN NING (林宁) is our Head of Research and Development. He oversees the Research and Development, and is responsible for research on new products for Wangcheng. He also work closely with our customers for feedback on our existing products and new products. He joined Wangcheng in August 2015 as Head of Research and Development. Prior to Wangcheng, he worked as an application engineer in Fuzhou Zhengwei Food Development Co., Ltd from February 2015 July 2015. From 2010 to 2014, he was the deputy head of Research and Development in Fuzhou Wangcheng Foods Development Co., Ltd. From 2006 to 2009, he was the research engineer for Damin (Zhangzhou) Food Development Co., Ltd. He graduated with a Food Science and Engineering from Ocean University of China in 2001.

COCULTIVATING NEW PRODUCTS

Following an expansion of our moso bamboo plantations to 115,992 mu as of 30 June 2015, the revenue contribution from our bamboo business has increased significantly. In line with our business development strategy, we are focusing on improving our bamboo cultivation and growing techniques to strengthen our processing capabilities. We aim to capitalise on the opportunities in this market which has great potential in the near future.

GROUP STRUCTURE



Yamada Green Resources Limited

Yamada Green Resources Limited (山田绿色资源有限公司) (incorporated in Singapore on 8 February 2010)

100%

Fuzhou Wangcheng Foods Development Co., Ltd. (福州旺成食品开发有限公司) (incorporated in PRC on 14 April 1998) Production and supplies of processed food products.

100%

Nanping Yuanwang Foods Co., Ltd. (南平市元旺食品有限公司) (incorporated in PRC on 3 February 2005) Production and supplies of semiprocessed food products.

100%

Zhangping Fengwang Agricultural Products Co., Ltd. (漳平市丰旺农产品有限公司) (incorporated in PRC on 7 October 2008) Cultivation and supplies of edible fungi.

100%

Zhangping Senwang Forestry Co., Ltd. (漳平市森旺林业有限公司) (incorporated in PRC on 1 June 2011) Engaging in management of eucalyptus plantations.

100%

Fuzhou Kangzhimei Foods Co., Ltd. (福州康之美食品有限公司) (incorporated in PRC on 20 December 2012) Sales of primary agricultural products.

100%

Feng Zhi Qiu International Holding Company Limited (丰之秋国际控股有限公司) (Incorporated in Hong Kong Special Administrative Region, PRC on 22 January 2014) Sales of processed food products.

100%

Nanping Lijiashan Forestry Co., Ltd. (南平市李家山林业有限公司) (incorporated in PRC on 23 April 2013) Forestry management, cultivation and sales of edible fungi and vegetables.

1009

Sanming Shansheng Forestry Co., Ltd. (三明山盛林业有限公司) (incorporated in PRC on 22 July 2014) Forestry management, cultivation and sales of edible fungi and vegetables.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chen Qiuhai (Executive Chairman and Chief Executive Officer) Lin Weibin (Executive Director) Chua Ser Miang (Lead Independent Director) Chang Feng-chang (Independent Director) Professor Tan Cheng Han (Non-Executive Director) Goi Kok Neng (Non-Executive Director)

AUDIT COMMITTEE

Chua Ser Miang *(Chairman)* Chang Feng-chang Professor Tan Cheng Han

NOMINATING COMMITTEE

Chua Ser Miang (Chairman) Chang Feng-chang Goi Kok Neng Professor Tan Cheng Han

REMUNERATION COMMITTEE

Chang Feng-chang (Chairman) Chua Ser Miang Professor Tan Cheng Han

REGISTERED OFFICE

Six Battery Road #10-01 Singapore 049909 Tel : (65) 6381 6966 Fax : (65) 6381 6967

PRINCIPAL PLACE OF BUSINESS

Houyu Food Industry Zone, Jingxi Town, Minhou County, Fuzhou City, Fujian Province PRC 350101 Tel : (86) 591 2262 6262 Fax : (86) 591 2262 6269 Website: www.yamada-green.com

AUDITOR

BDO LLP Public Accountants and Chartered Accountants 21 Merchant Road #05-01 Singapore 058267

Partner-in-charge: Poh Chin Beng (Appointed since the financial year ended 30 June 2015)

COMPANY SECRETARIES Chew Kok Liang (LLB) (Hons) Shirley Tan Sey Liy (ACIS)

PRINCIPAL BANKERS

Bank of China Limited, Fujian Branch 136 Wusi North Road BOC Building Fuzhou Fujian Province PRC 350001

China Everbright Bank, Fuzhou Tongpan Branch First Floor, 3 Rongqiao Huayuan 60 West Ring North Road, Xifeng Street Fuzhou Fujian Province PRC 350001

Postal Savings Bank of China Building No.16, B Area of Xincheng Lijing No.98 West Road, Tanshishan Minhou Country, Fuzhou, Fujian, China

Pucheng Agricultural Credit Union 235 Xingpu Road Pucheng County Nanping Fujian Province PRC 353400

Industrial Bank Co., Ltd., Fuzhou Huanqiu Branch Level 1, Huaqiu Plaza 158 Wusi Road Fuzhou Fujian Province PRC 350003

Bank of China Limited, Singapore Branch 4 Battery Road Bank of China Building Singapore 049908

Oversea-Chinese Banking Corporation Limited 65 Chulia Street #26-00 OCBC Centre Singapore 049513

United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624

SHARE REGISTRAR

Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #02-00 Singapore 068898 Tel : (65) 6236 3333 Fax : (65) 6236 4399

FINANCIAL CONTENTS

- 21 Corporate Governance Report
- 37 Corporate Social Responsibility
- 38 Report of the Directors
- 41 Statement by the Directors
- 42 Independent Auditor's Report
- 43 Consolidated Statement of Comprehensive Income
- 44 Statements of Financial Position
- 45 Consolidated Statement of Changes in Equity
- 46 Consolidated Statement of Cash Flows
- 47 Notes to the Financial Statements
- 89 Statistics of Shareholdings
- 91 Notice of Annual General Meeting

Proxy Form

The Board of Directors (the "Board" or the "Directors") of Yamada Green Resources Limited (the "Company", together with its subsidiaries, the "Group") recognises the importance of sound corporate governance in protecting the interest of the shareholders as well as strengthening investors' confidence in the management and financial reporting of the Group.

The Group is committed to ensuring and maintaining a high standard of corporate governance within the Group. Good corporate governance establishes and maintains a legal and ethical environment, which helps to safeguard the interests of shareholders of the Group.

This corporate governance report describes the corporate governance framework and practices of the Group with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "Code"). Unless otherwise stated, these practices were in place throughout the financial year ended 30 June 2015 ("FY2015").

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board assumes responsibility for stewardship of the Group and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders. It supervises the Management of the business and affairs of the Group, provides corporate direction, monitors managerial performance and reviews financial results of the Group. In addition, the Board is directly responsible for decision making in respect of the following matters:

- a. approve the business strategies including significant acquisition and realisation of subsidiaries or assets and liabilities;
- b. approve the annual budgets, major funding proposals, significant capital expenditures and investment and divestment proposals;
- c. approve the Group's quarterly and full year financial results;
- d. oversee the processes for risk management, financial reporting and compliance and evaluate the adequacy and effectiveness of internal controls and risk management system, as may be recommended by the Audit Committee ("AC");
- e. review the performance of the Management, approve the nominations to the Board or appointment of key management personnel, as may be recommended by the Nominating Committee ("NC");
- f. review and endorse the framework of remuneration for the Board and key management personnel, as may be recommended by the Remuneration Committee ("RC"); and
- g. review and endorse corporate policies in keeping with good corporate governance and business practice.

The Board provides shareholders with a balanced and clear assessment of the Group's performance, position and prospects on a quarterly basis.

Board Committees

Our Directors recognise the importance of good corporate governance and in offering high standards of accountability to our shareholders. In order to provide an independent oversight and to discharge its responsibilities more efficiently, the Board has delegated certain functions to various Board Committees. The Board Committees consist of the AC, NC and RC, each of which functions within clearly defined terms of reference and operating procedures which are reviewed on a regular basis. The Chairman of the respective Board Committees will report to the Board on the proceedings of the Board Committees meetings and their recommendations on the specific agendas mandated to the Board Committees by the Board.

Matters which are specifically reserved to the Board for decision-making are those involving corporate plans and budgets, material acquisitions and realisation of assets, share issuances, declaration of dividends and other returns to shareholders of the Company. The Management is responsible for day-to-day operations and administration of the Group and the Management are accountable to the Board. Clear directions have been given out to the Management that such reserved matters must be approved by the Board.

The Board conducts regular Board meetings at least four (4) meetings on a quarterly basis to review the Group's financial results and where necessary, additional Board meetings are held to address significant issues or transactions of the Group. Dates of the Board and Board Committees meetings are normally fixed by the Directors in advance. The Articles of Association of the Company allow a meeting of Board or Board Committee to be conducted by means of telephone conference or similar communication equipment pursuant to which all Directors participating in a meeting are able to hear each other, without a Director being in physical presence in meeting. Decisions of the Board and Board Committees may also be deliberated and determined through circular resolutions in writing.

The number of meetings held by the Board and Board Committees and attendance of Directors at the meetings for FY2015 is set out as follows:

	Board AC		C	N	С	RC		
	No. of n	neetings	No. of meetings		No. of meetings		No. of meetings	
Name of Directors	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Chen Qiuhai	4	4	4	4*	2	2*	1	1*
Mr Lin Weibin	4	4	4	4*	2	2*	1	1*
Mr Chua Ser Miang	4	3	4	3	2	1	1	0
Mr Chang Feng-chang	4	4	4	4	2	2	1	1
Mr Goi Kok Neng	4	4	4	4*	2	2	1	1*
Professor Tan Cheng Han	4	4	4	4	2	2	1	1

* By invitation

Notwithstanding the above disclosures, the Board is of the view that the contribution of each Director should not be focused only on his or her attendance at meetings of the Board and/or Board Committees. A Director's contribution may also extend beyond the confines of the formal environment of such meetings, through the sharing of views, advices, experience and strategic networking relationships which would further the interests of the Group.

The Board has received relevant training to familiarise themselves with the roles and responsibilities of a Director of a public listed company in Singapore. In addition, the Directors may also attend other appropriate or relevant courses, conferences and seminars. The Management would conduct briefings and orientation programmes to familiarise newly appointed Directors with the various businesses and operations of the Group, including site visits to the Group's plants in People's Republic of China.

All Directors are provided with relevant information on the Company's policies, procedures and practices relating to governance issues, including disclosures of interest in securities, dealings in Company's securities, restrictions on disclosures of price-sensitive information and disclosure of interests relating to the Group's businesses. Directors are also updated regularly on key regulatory and accounting changes at quarterly meetings. Directors and key management personnel are encouraged to undergo relevant training to enhance their skills and knowledge, especially on new laws and regulations affecting the Group's operations.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises six (6) Directors of whom two (2) are Executive Directors, two (2) are Non-Executive Directors and two (2) are Independent Directors. Their combined wealth and diversity of experience enable them to contribute efficiently and effectively to the strategic growth and governance of the Group.

Presently, the list of Directors is as follows:

Mr Chen Qiuhai	Executive Chairman and Chief Executive Officer ("CEO")
Mr Lin Weibin	Executive Director
Mr Chua Ser Miang	Lead Independent Director
Mr Chang Feng-chang	Independent Director
Mr Goi Kok Neng	Non-Executive Director
Professor Tan Cheng Han	Non-Executive Director

The profiles of the Directors are set out on pages 14 and 15 of this Annual Report.

The size and composition of the Board are reviewed from time to time by the NC to ensure that the size of the Board is conducive to effective discussions and decision-making. The Board has examined its size and is of the view that the Board's size of six (6) Directors, of which two (2) are Independent Directors and two (2) are Non-Executive Directors, is appropriate and effective, taking into account the nature and scope of the Group's operations.

The Board comprises persons with diverse expertise and experience in accounting, business and management, finance, legal and risk management who as a group provide core competencies necessary to meet the Group's requirements. This balance is important in ensuring that the strategies proposed by the Management are fully discussed and examined, taking into account the long-term interests of the Group.

The independence of each Director will be reviewed on an annual basis by the NC and the Board pursuant to the definition of independence of the Code, pursuant to which, an independent director is one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company. The appointment period of each director should also be taken into consideration in determining his or her independence pursuant to Guideline 2.4 of the Code.

The Board, after taking into consideration of the recommendation the NC, is of the view that the two (2) Independent Directors, namely Mr Chua Ser Miang and Mr Chang Feng-chang (who collectively represent one-third of the Board) are independent pursuant to the definition of independence of the Code and that there is a strong and independent element on the Board which is able to exercise objective judgement on corporate matters independently, in particular, from the Management, and that no individual or small group of individuals dominate the Board's decision-making process.

Further, none of Independent Directors has served on the Board beyond nine years from the date of their first appointment.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

There is a clear division of responsibilities at the top level with clearly defined lines of responsibilities between the Board and executive functions of the Management of the Company.

Mr Chen Qiuhai, the founder of the Group, is the Executive Chairman and CEO of the Group. As the CEO, he oversees the business direction, long-term strategic planning and the overall management and operations of the Group. He is also responsible for, among others, the exercise of control over quantity, quality and timeliness of information flow between the Management and the Board. He, with the assistance of the Company Secretary and/or his or her representative, ensures that the Board receives accurate, timely and clear information, ensures that the Board meetings are held as and when necessary and sets the Board's meeting agenda. He assists in ensuring compliance with the Group's guidelines on corporate governance and facilitating the effective contribution of Non-Executive Directors.

Mr Chen Qiuhai together with the Management comprising key management personnel and general managers of each subsidiary, are responsible for the day-to-day operation of the Group.

Although the roles and responsibilities of the Chairman and the CEO are vested in Mr Chen Qiuhai, the current composition of the Board is able to make objective and prudent judgment of the Group's corporate affairs. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or small group of individuals exercising any considerable concentration of power or influence. Further, the AC, RC and NC are chaired by Independent Director.

In view of Mr Chen Qiuhai's concurrent appointment as the Executive Chairman and the CEO, Mr Chua Ser Miang has been appointed as Lead Independent Director of the Company pursuant to Guideline 3.3 of the Code. The Lead Independent Director will lead and co-ordinate the activities of the Independent Directors and serve as a principal liaison on Board issues between the Independent Directors and the Chairman of the Board. The Lead Independent Director is available to shareholders who have concerns for which contact through the normal channels of the Chairman, CEO, Executive Directors or Financial Controller have failed to resolve or for which such contact is inappropriate.

The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors, where necessary, and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises four (4) Non-Executive Directors and half of the members of the NC, including the Chairman of the NC, are considered independent pursuant to the definition of independence recommended by the Code.

The composition of the NC are:

Mr Chua Ser Miang	Chairman
Mr Chang Feng-chang	Member
Mr Goi Kok Neng	Member
Professor Tan Cheng Han	Member

The Lead Independent Director, Mr Chua Ser Miang, is the Chairman of the NC.

Despite half of the members of the NC are independent, the Board is satisfied that sufficient measures have been put in place to ensure all matters are deliberated independently and objectively by the NC. This includes that no business shall be transacted by the NC without a quorum of meeting, of which should be formed by at least two (2) members, including at least one (1) independent director. The decision recommended by the NC would be submitted for the Board's endorsement before implementation.

The key roles of the NC are:

- make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendations on the composition of the Board;
- review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- identify and nominate candidates for the approval of the Board, determine annually whether or not a Director is independent, to fill Board vacancies as and when they arise as well as put in place plans for succession, in particular for the Chairman and the CEO;
- determine the independence of Directors on an annual basis in accordance with Guideline 2.3 and 2.4 of the Code;
- make recommendations to the Board for the continuation (or not) in services of any Director who has reached the age of seventy (70) years, if any;
- recommend Directors who are retiring by rotation to be put forward for re-election;

- decide whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations;
- recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards;
- assess the effectiveness of the Board as a whole; and
- decide on how the Board's performance may be evaluated and propose objective performance criteria.

Article 91 of the Articles of Association of the Company requires the number nearest to but less than one-third of the Directors for the time being to retire from office by rotation and subject themselves for re-election by shareholders at the Annual General Meeting ("AGM") of the Company. It is also provided by Article 97 of the Articles of Association of the Company that any Director appointed during the financial year shall hold office only until the next AGM of the Company and shall then be eligible for re-election at the AGM of the Company.

The dates of initial appointment and last re-election of each current Director of the Company are set out below:

Name of Directors Position held on the Board		Date of first Appointment	Date of Last Re-election	
Mr Chen Qiuhai	Executive Chairman and CEO	8 February 2010	29 October 2014	
Mr Lin Weibin	Executive Director	3 June 2014	29 October 2014	
Mr Chua Ser Miang	Lead Independent Director	23 September 2013	30 October 2013	
Mr Chang Feng-chang	Independent Director	17 September 2010	29 October 2014	
Mr Goi Kok Neng	Non-Executive Director	15 May 2013	30 October 2013	
Professor Tan Cheng Han	Non-Executive Director	23 September 2013	30 October 2013	

Although the Non-Executive Directors hold directorships in other listed companies, the Board is of the view that such multiple listed company board representations do not hinder them from carrying out their duties as Directors. The Board believes that putting a maximum limit on the number of listed company board representation which a Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive. The NC and the Board will review the requirement to determine the maximum number of listed board representations as and when they deemed fit.

The NC is of the view that the Non-Executive Directors have each individually contributed their invaluable experience to the Board and give it a broader perspective on the board affairs of the Group. The NC, after taking into account the multiple board representations and principal commitments disclosed by each Non-Executive Director, is satisfied that each Non-Executive Director has allocated sufficient time and attention to the affairs of the Group and to adequately discharge their duties as Directors of the Company.

The Board, unless circumstance warrants, do not encourage the practice of alternate directors appointed for Directors. During FY2015, none of the Directors has put forward the appointment of any alternate director representing them in the Board.

The Board has accepted the recommendation of the NC's nomination for re-election of the retiring Directors, namely Professor Tan Cheng Han and Mr Goi Kok Neng, who have given their consent for re-election, at the forthcoming AGM of the Company. To the best knowledge, the Company is not aware of any relationships (including immediate family relationships) between Directors retiring at the forthcoming AGM of the Company, namely Professor Tan Cheng Han and Mr Goi Kok Neng, and other Directors or 10% shareholders of the Company. Mr Goi Kok Neng is the son of Mr Goi Seng Hui, the substantial shareholder of the Company.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC reviews the criteria for evaluating the Board's performance and recommends to the Board a set of objective performance criteria focusing on enhancing long-term shareholders' value. Based on the recommendations of the NC, the Board has established a formal process for assessment of the effectiveness of the Board as a whole.

The NC evaluated the Board's performance as a whole on an annual basis based on performance criteria set out by the Board. The assessment parameters includes an evaluation of the Board size and composition of the Board, the Board's independence, Board processes, Board information, Board accountability and standards of conduct of the Directors. The performance measurements ensure that the mix of skills and experience of the Directors continue to meet the needs of the Group.

During FY2015, the NC has conducted the assessment by preparing a performance evaluation questionnaire to be completed by each Director, of which are then collated and the findings are analysed and discussed with a view to implementing certain recommendations to further enhance the effectiveness of the Board. The Board, after taking into account of the NC's assessment, is satisfied that the Board operates efficiently in contributing to the overall effectiveness of the Board during FY2015.

No external facilitator has been engaged by the Company for the purpose of evaluation of the Board during FY2015.

The NC is of the view that each individual Director contributes in different areas to the effectiveness of the Board as a whole and the success of the Group, and therefore, it would be more appropriate to assess the performance of the Board as a whole, than assessment on individual basis or on Board Committee basis.

Notwithstanding the foregoing, the performance and contribution of each Director to the Board would be taken into consideration by the NC before putting forward their recommendation for nomination of retiring Directors at the forthcoming AGM of the Company.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To assist the Board in fulfilling its responsibilities, the Management provides the Board with a management report containing complete, adequate and timely information prior to the Board meetings. The Board has separate and independent access to the Management, including the Company Secretary and/or his or her representative at all times. The Company Secretary and/or his or her representative at all times and look and Board and Board Committees meetings and assists the Board to ensure that proper procedures and all other rules and regulations applicable to the Company are complied with.

The appointment and removal of Company Secretary is subject to approval by the Board.

The Management keeps the Board informed of the Group's operation and performance through regular updates and reports as well as through separate meetings and discussions. The Management will present reports and updates on the Group's performance, financial position, prospects and other relevant information for review at Board and Board Committee meetings.

In addition, all other relevant information on material events and transactions are circulated by electronic mail to the Directors for review and approval. The key management personnel may be invited to attend Board and Board Committee meetings to answer queries and to provide insights into its Group's operations.

Changes to regulations are closely monitored by the Management, the Directors are briefed during Board meetings and in respect of changes which have an important bearing on the Company or the Directors' disclosure obligations.

The Board and the Chairman of the respective Board Committees, whether as a group or individually, are able to seek independent professional advice as and when necessary in furtherance of their duties and responsibilities. The cost of which advice obtained from a professional firm will be borne by the Company. The appointment of such professional firm is subject to approval by the Board.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises three (3) Non-Executive Directors, the majority of whom, including the Chairman of RC, are considered independent pursuant to the definition of independence of the Code.

The composition of the RC are:

Mr Chang Feng-chang	Chairman
Mr Chua Ser Miang	Member
Professor Tan Cheng Han	Member

The key roles of the RC are:

- review and recommend to the Board the remuneration packages and terms of employment of the Executive Directors and key management personnel;
- review and recommend to the Board the grant of options or share awards pursuant to long-term incentive schemes which may be set up from time to time;
- carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time; and
- ensure that all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, share options, share-based incentives and awards, and benefit-in-kind are covered.

As part of its review, the RC shall take into consideration:

- the remuneration packages should be comparable within the industry practices and norms and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual performance;
- the remuneration packages of employee related to Directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scope and levels of responsibility; and
- Principle 8 of the Code.

The RC aims to be fair and avoid rewarding poor performance and review the Group's obligation in the event of termination of contract of service for Executive Directors and key management personnel of the Group.

The recommendations of the RC would be submitted to the Board for endorsement. The RC has full authority to engage any external professional to advise on matters relating to remunerations as and when the need arises. No individual Director shall be involved in deciding his or her own remuneration. The Company has not engaged any remuneration consultant in respect of the remuneration matters of the Group during FY2015.

Each member of the RC shall abstain from reviewing and voting any recommendation or any resolutions in respect of his or her own remuneration package or that of employees related to him or her, or any other matters concerning him or her to be deliberated by the RC, except for providing information and documents specifically requested by the RC to assist it in its deliberations.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration packages, the RC takes into consideration prevailing economic situation, pay and employment conditions within the similar industry and in comparable corporations. As part of its review, the RC ensures that the performance related elements of remuneration form a significant part of the total remuneration package of Executive Directors and is designed to align the Directors' interests with those of shareholders and link rewards to corporate and individual performance.

The RC also reviews all matters concerning the remuneration of Non-Executive Directors to ensure that the remuneration commensurate with the contribution and responsibilities of the Non-Executive Directors.

The Non-Executive Directors and Independent Directors do not have any service contracts. They receive Directors' fees, which takes into account their level of contribution and responsibilities. The payment of Directors' fees are subject to shareholders' approval at the forthcoming AGM of the Company.

The Executive Directors do not receive Directors' fees. The remuneration of the Executive Directors and the key management personnel comprises primarily a basic salary component and a variable component which is inclusive of bonuses and other employee benefits. The Service Agreement for the Executive Chairman and the CEO is for a fixed appointment period of three (3) years with effect from 8 October 2010, the date when the Company is admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Service Agreement for the Executive Chairman and the CEO which had been due for renewal on 7 October 2013 had extended to another period of three (3) years under the same terms and conditions unless otherwise terminated by either party giving not less than six months' notice in writing to the other.

The RC will consider to recommend the Company to use contractual provisions to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstance of misstatement of financial results, or of misconduct of resulting in financial loss to the Company.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

A breakdown of the remuneration of the Directors and key management personnel (who are not Directors), in percentage terms showing the level and mix, for FY2015 falling within the bands are set out below:

			Other	Directors'	
	Salary	Bonus	Benefits	Fees ⁽¹⁾	Total
Remuneration Band and Name	(%)	(%)	(%)	(%)	(%)
Directors					
Below S\$250,000					
Mr Chen Qiuhai	93	2	5	-	100
Mr Lin Weibin	80	7	13	-	100
Mr Chua Ser Miang	_	-	_	100	100
Mr Chang Feng-chang	_	-	_	100	100
Mr Goi Kok Neng	-	-	_	100	100
Professor Tan Cheng Han	-	-	_	100	100

	Salary	Bonus	Other Benefits	Directors' Fees ⁽¹⁾	Total
Remuneration Band and Name	(%)	(%)	(%)	(%)	(%)
Key Management Personnel					
Ms Chew Kim Kuan	74	18	8	-	100
Mr Chen Qiufa	79	6	15	-	100
Ms Fang Shuzhen	78	7	15	-	100
Mr Huang Ting	78	7	15	-	100
Mr Liu Liping	78	7	15	-	100

Notes:

(1) The payment of Directors' fees is subject to the approval of the shareholders at the forthcoming AGM of the Company.

Saved for Mr Chen Qiufa, there is no employee of the Group who is an immediate family member of any Director or the CEO and whose remuneration has exceeded \$\$50,000 for FY2015.

For FY2015, the aggregate total remuneration paid to the key management personnel (who are not the Directors or the CEO) of the Company amounted to approximately S\$278,000.

For FY2015, there were no termination, retirement or post-employment benefits granted to the Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service except for post-employment benefits paid to the Directors and key management personnel of RMB189,000.

The Board believes that the full disclosure on remuneration of Directors and key management personnel is not in the best interests of the Group in light of the remuneration confidentiality and the avoidance of poaching of Directors and key management personnel of the Group.

The RC has reviewed and approved the remuneration packages of the Directors and key management personnel, having regard to their contributions as well as the financial performance and commercial needs of the Group and has ensured that the Directors and key management personnel are adequately but not excessively remunerated.

The Company has existing share incentives schemes, namely Yamada Green Resources Share Option Scheme and Yamada Green Resources Performance Share Plan (the "Schemes") as long term incentive schemes for the Directors and employees of the Group, whose services are vital to the Group's success. Both Schemes will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.

Information relating to the Schemes is set out on page 39 of this Annual Report.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is accountable to the shareholders for the Group's operations, financial position and performance. In this respect, the Board endeavors to ensure that the annual audited financial statements and quarterly and full year financial results announcements of the Group present a balanced and clear assessment of the Group's operations, performance, financial position and prospects. The Board embraces openness and transparency in the conduct of the Group's affairs, whilst preserving the commercial interests of the Group.

The Management provides the Board on a quarterly basis or as and when at the request of Board, financial reports and other information on the Group's operations, performance, financial position and prospects for their effective monitoring and decision-making.

The Directors may seek independent professional advice and receive relevant training wherever applicable so as to maintain continuing standards and vigilance of the Board.

Risk Management and Internal Controls

The Board ensures that the Management maintains a sound system of internal controls and effective risk management policies to safeguard the shareholders' investment and the Group's assets and in this regard, the Board is assisted by the AC and the management which conducts the reviews.

The Management reviews regularly the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies. In addition, both the external auditors and the internal auditors of the Group carry out, during the course of their statutory audit, the review of existence adequacy and effectiveness of the Group's material internal controls, including company level, financial, operational, compliance and information technology controls. Material non-compliance and internal control weaknesses are reported to the AC together with their recommendation for improvements of the Group's internal controls. The Management will follow up and implement the recommendations suggested by the external auditors and internal auditors of the Group's risk management procedures.

The Company's internal auditors had conducted appropriate reviews to ensure that the system of internal controls and risk management maintained by the Group is adequate and effective.

The AC has relied the internal auditors and external auditors to carry out the assessment of the effectiveness of key internal controls during the financial year. Any material non-compliance or weaknesses in internal controls and risk management system or recommendations from the internal auditors and external auditors to further improve systems of internal controls and risk management system are reported to the AC. The AC will also follow up on the actions taken by the Management on the recommendations made by the internal auditors and external auditors.

The Directors have received and considered representation letters from the CEO, Executive Directors and Financial Controller of the Group whom relied upon the representation letters from senior management of the key subsidiaries in relation to the financial information for the financial year.

In addition, the AC and the Board had reviewed the adequacy and the effectiveness of the Group's system of internal controls and risk management system in light of key business and financial risks affecting the operations.

The Board has received assurance from the CEO and the Financial Controller respectively that the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's business operations and finances; and the Group's internal control system and risk management system is in place and effective in addressing the material risks identified by the Group in its current business environment including material financial, operational, compliance and information technology risks.

In compliance with Rule 1207(10) of the Listing Manual of the SGX-ST, the Board with the concurrence of the AC, is of the opinion that the Group has a robust and effective internal controls system and risk management system and the said systems are adequate and effective to address financial, operational, compliance and information technology risks maintained by the Group as at 30 June 2015, based on the various management controls in place, the reports from the internal auditors and external auditors, reviews conducted by the Management, the management representation letter from management and the assurance from the CEO and the Financial Controller.

The system of internal control provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

The Board also notes that all internal control system and risk managements system contain inherent limitations and no system of internal controls or risk management system could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

As the Group continues to grow the business, the Board will continue to review and take appropriate steps to strengthen the Group's overall system of internal controls and risk management.

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Information in relation to the risks arising from the Group's financial operations is disclosed in the notes to the accompanying audited financial statements on pages 84 to 87.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises three (3) Non-Executive Directors, the majority of whom, including the Chairman of AC, are considered independent pursuant to the definition of independence of the Code.

The composition of the AC are:

Mr Chua Ser Miang	Chairman
Mr Chang Feng-chang	Member
Professor Tan Cheng Han	Member

None of the AC members is a former partner or director of the Company's existing auditing firm or auditing corporation within a period of twelve months commencing on the date of his/her ceasing to be partner of the auditing firm or a director of the auditing corporation; and in any case, a person has any financial interest in the auditing firm or auditing corporation.

The AC meets regularly with the Group's external auditors and internal auditors, with or without the presence of the Management, to review accounting, auditing and financial reporting matters of the Group.

The AC also monitors proposed changes in accounting policies, reviews internal audit functions and discusses the accounting implications of major transactions. In addition, the AC advises the Board regarding the adequacy and the effectiveness of the Group's internal controls and risk management system and the contents and presentation of reports.

The Board considers that the members of the AC are appropriately qualified to fulfil their responsibilities as the members bring with them invaluable managerial and professional expertise in the financial, legal and industry domain.

The AC meets at a minimum, on a quarterly basis to perform the following functions:

- review the financial and operating results and accounting policies;
- review the effectiveness and adequacy of internal accounting and financial control procedures;
- review the audit plans of the internal auditors and external auditors and evaluates their overall effectiveness through regular meetings with each group of internal auditors and external auditors;
- evaluate the adequacy and effectiveness of the risk management system and internal control systems of the Group, including financial, operational, compliance and information technology controls, by reviewing written reports from the internal auditors and external auditors, and the Management's responses and actions to correct any deficiencies;
- review the quarterly and annual financial statements and results announcements and the external auditor's report before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual of the SGX-ST and any other relevant statutory or regulatory requirements;
- ensure co-ordination between the external auditors and the Management, and review the co-operation given by the Company's officers to the external auditors and discuss problems and concerns, if any, arising from the interim and final audits, and any other matters which the auditors may wish to discuss (without the presence of the Management, where necessary);
- review and discuss with the external auditors and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- review and evaluate the independence and performance of the external auditors and to consider their appointment, remuneration and re-appointment;

- review interested person transactions to ensure that they are on normal commercial terms and will not be prejudicial to the interests of the Company or its minority shareholders;
- review potential conflicts of interest;
- review the key financial risk areas, with a view to providing an independent oversights on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNet;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- review arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- generally undertake such other functions and duties as may be required by the legislation, regulations or the Listing Manual of the SGX-ST, or by such amendments as may be made thereto from time to time.

The AC has full access to and co-operation of the Management and external auditors and internal auditors. The AC also has the discretion to invite any Director and key management personnel to attend AC meetings. The AC has adequate resources to enable it to discharge its responsibilities properly. The internal auditors and external auditors have unrestricted access to the AC. Both the external auditors and internal auditors report directly to the AC in respect of their findings and recommendations for improvements within the Group.

The AC has targeted to meet with the external auditors and internal auditors, each separately without the presence of the Management, annually. The AC reviews the findings from the external auditors and internal auditors and the assistance given to the external auditors and internal auditors by the Management. During FY2015, the AC has met once with external auditors of the Company, Messrs BDO LLP without the presence of Management.

The AC keeps abreast with changes to accounting standards and issues which have a direct impact on financial statements through attendance at seminar and/or briefings delivered by the Management or external auditors.

The external auditors, during their course of external audit, will evaluate the effectiveness and adequacy of the Group's internal controls and report to the AC, together with their recommendations for improvements on material weakness and non-compliance of the Group's internal controls.

The breakdown of fees paid in total for audit and non-audit fees services for FY2015 is disclosed in the notes to the accompanying audited financial statements on page 60.

The AC, having reviewed the scope and value of non-audit services provided by the external auditors, which comprise tax advisory services, is satisfied that the nature and extent of such services will not prejudice and affect the independence and objectivity of the external auditors of the Company, Messrs BDO LLP.

Both the AC and the Board have reviewed the appointment of different auditors for its foreign subsidiaries and are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company and the Group. Accordingly the Company has complied with Rules 712 and 716 of the Listing Manual of the SGX-ST.

The AC will undertake a review of the scope of services provided by the external auditors, the independence and the objectivity of the external auditors on annual basis. Messrs BDO LLP, the external auditors of the Company, has confirmed that they are a Public Accounting Firm registered with Accounting and Corporate Regulatory Authority and provided a confirmation of their independence to the AC. The AC had assessed the external auditors based on factors such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group, the size and complexity of the Group's audit. Accordingly, the AC is satisfied that Rule 712 of the Listing Manual of the SGX-ST is complied with and has recommended to the Board the nomination of Messrs BDO LLP for re-appointment as auditors at the forthcoming AGM of the Company.

In July 2010, the Singapore Exchange Limited and Accounting and Corporate Regulatory Authority had launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the AC in evaluating the external auditors. Accordingly, the AC had evaluated the performance of the external auditors based on the key indicators of audit quality set out in the guidance.

The AC had reviewed, approved and implemented a Whistle Blowing Policy which provides well-defined and accessible channels in the Group through which employees of the Group may, in confidence, raise concerns about possible improprieties in matter of financial reporting or other matters within the Group. The policy includes arrangements for independent investigation and appropriate follow-up of such matters. Details of the policy and arrangements have been made available to the employees. The AC reported that there was no report received through the whistle-blowing mechanism during FY2015.

The AC had reviewed the Company's key financial risk areas and noted that apart from the exchange rate differences, the Group has not entered into any financial contracts which will give rise to financial risks.

Each member of the AC shall abstain from reviewing and voting any recommendation or any resolutions in relation to matters concerning him or her to be deliberated by the AC, if any, except for providing information and documents specifically requested by the AC to assist it in its deliberations.

The AC has explicit authority to investigate any matter within its terms of reference. The AC has, within its terms of reference, the authority to obtain independent professional advice at the Company's expense as and when the need arises in furtherance of their duties and responsibilities.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognises the importance of maintaining a system of internal controls, procedures and processes for the Group to safeguard the shareholders' investments and the Group's assets.

The AC will approve the appointment, removal, evaluation and compensation of internal auditors. The Company has outsourced its internal audit functions of the Group to Zhonghua Certified Public Accountants LLP, a reputable professional accounting firm in People's Republic of China, to perform the review and the test of controls of the Group's processes and procedures. Zhonghua Certified Public Accountants LLP meets the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors set out in the Code.

The internal auditors reports directly to the AC on internal audit matters and administratively to the CEO of the Group.

The internal auditors are responsible for evaluating reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group, assisting the AC in the review of interested person transactions (if any) and ensuring that the internal controls of the Group are adequate for proper recording of transactions and safeguarding the assets of the Group. The internal auditors will also carry out major internal control checks and compliance tests as instructed by the AC.

The AC will review the internal auditors' reports and ensure that there are adequate and effective internal controls within the Group. The AC, on an annual basis, will assess adequacy and effectiveness of the internal audit function by examining the scope of the internal audit work, the qualification and independence of internal auditors, the internal auditors' reports and ensure that the internal auditors possessing relevant qualifications and experience to adequately perform its functions.

The AC will ensure that the internal auditors meet or exceed the standards set by recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company does not practise selective disclosure. In line with the continuous obligations of the Company under the SGX-ST Listing Manual and the Companies Act, Chapter 50, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet.

Shareholders are informed of general meetings through the announcement released to the SGXNet and notices contained in the Annual Report or circulars sent to all shareholders. These notices are also advertised in a national newspaper. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings.

In accordance with the Articles of Association of the Company, a shareholder may appoint not more than two (2) proxies to attend and vote in his or her stead at general meeting. All shareholders are allowed to vote in person or by proxy. Central Provident Fund ("CPF") investors may attend general meetings as observers provided they have registered to do so with CPF Approved Nominees within the time frame specified. The Company's Articles of Association does not include the nominee or custodial services to appoint more than two proxies.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company believes that a high standard of disclosure is the key to raise the level of corporate governance and the level of shareholders' confidence towards the Group. The quarterly financial statements, full year financial statements and news releases are published via SGXNet. The major development of the Group's activities is also disseminated via SGXNet.

The Company does not practice selective disclosure. Price-sensitive information is publicly released and financial statements and annual reports or circulars are announced or issued within the mandatory period.

The annual reports or circulars will be disseminated to every shareholder of the Company prior to the general meeting. The notice of general meeting is advertised in major newspaper and released via SGXNet.

The essential information of the Group are available on the Company's website at http://www.yamada-green.com pursuant to which shareholders could access to, inter alia, corporate announcements, press releases and the latest financial statements disclosed by the Company via SGXNet.

The Company currently does not have any formal fixed dividend policy. The Company may declare final dividend for shareholders' approval in a general meeting but no dividend or distribution shall be declared in excess of the amount recommended by the Directors. The Directors may also from time to time declare a dividend or other distribution. The declaration and payment of dividends will be determined at the sole discretion of the Directors, and will depend upon the Group's operating results, financial conditions, other cash requirements including capital expenditures, the terms of the borrowing arrangements (if any), and other factors deemed relevant by the Directors.

The Board has proposed a first and final dividend of RMB0.006 per ordinary share for FY2015 which will be subject to shareholders' approval at the forthcoming AGM.

Corporate Governance Report

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. Notice of the general meeting is dispatched to shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. The Company welcomes the views of the shareholders on matters concerning the Group and encourages shareholders' participation at general meetings.

Each item of special business appeared on the notice of general meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions on each distinctive issue are proposed at general meetings for shareholders' approval.

The Chairman of the AC, NC and RC of the Company are usually available at general meetings to address questions from the shareholders. The external auditors of the Company will also be present to address any relevant queries in relation to the conduct of audit and auditors' report by the shareholders during general meetings.

The Company shall adhere to the requirements of the Code where all resolutions are to be voted by poll for general meetings held on or after 1 August 2015. The detailed voting result of each of the resolutions is announced by the chairman of meeting at the general meeting. The voting result for the total numbers of votes cast for or against each resolution during the poll, will be announced via SGXNET after the market close.

The Company will make available minutes of general meetings to the shareholders of the Company upon their request.

The Group understands the increasing global attention towards issues of environmental protection and social responsibility. In this respect, the Group continues its commitment towards sustainable development of self-cultivated shiitake mushrooms, moso bamboo trees, bamboo shoots and processed food products, including mushrooms, vegetables and high fibre food products (mainly konjac-based) as part of the Group's corporate social responsibility. The Group has embarked on voluntarily sustainability reporting on an annual basis as an integral part of good corporate governance. The practice of sustainability reporting has thus improved stakeholders communications by providing an additional reporting dimension beyond financial performance of the Group.

DEALINGS IN SECURITIES

The Group has adopted its own Internal Compliance Code on Dealing in Securities by setting out regulations with regard to dealings in the Company's securities by its Directors and officers, that is modelled, with some modifications, pursuant to Rule 1207(19) of the Listing Manual of the SGX-ST. The Group's Internal Compliance Code on Dealing in Securities provides guidance for Directors and officers on their dealings in the Company's securities.

The Group's Internal Compliance Code on dealing in securities prohibits the Directors and officers from dealing in the Company's securities during specific period, pursuant to which, they are advised not to deal in the Company's securities during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full year financial statements and ending on the release date of the announcement of the Company's financial statements on the SGX-ST,

In addition, the Company, Directors and officers are expected to observe insider trading laws at all times including when they are in possession of unpublished price-sensitive information of the Group during the permitted trading period. They are also discouraged from dealing in the Company's shares on short term consideration.

Corporate Governance Report

INTERESTED PERSON TRANSACTIONS

The Company does not have a general mandate from shareholders for interested person transactions. Nevertheless, the Company has established internal control procedures to ensure any transaction entered into with interested persons are properly reviewed and approved by the AC with a view to ensure transactions conducted at arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

There were no interested person transactions entered into between the Group and any of its interested persons defined under Chapter 9 of the Listing Manual of the SGX-ST for FY2015.

MATERIAL CONTRACTS

Save for those material contracts disclosed in the financial statements and on announcements via SGXNet, there were no any other material contracts entered into by the Company or any of its subsidiaries, involving the interests of the CEO, Director or controlling shareholder of the Company during FY2015.

USE OF NET PROCEEDS

(i) Use of Net Proceeds from Placement of 35,000,000 New Ordinary Shares

The Company has on 25 July 2014 announced the placement of 35,000,000 new ordinary shares in the capital of the Company at S\$0.16185 per new ordinary share. The said 35,000,000 new ordinary shares were allotted and issued by the Company on 18 August 2014.

The net proceeds arising from the placement of 35,000,000 new ordinary shares is approximately S\$5.62 million (equivalent to RMB27.64 million). As at 30 June 2015, the entire net proceeds of approximately S\$5.62 million were fully utilised for the payment of the acquisition of lease for the bamboo plantations and progressive payments made for the construction of new plants.

(ii) Rights issues

On 8 June 2015, the Company announced the proposed renounceable underwritten Rights Issue of up to 270,333,587 new ordinary shares in the capital of the Company.

On 18 September 2015, the Company announced 270,333,587 Rights Shares, have been allotted and issued, and will be officially listed and quoted on the SGX-ST on 21 September 2015.

Following the allotment and issuance of the Rights Shares, the total number of issued shares has increased from 540,667,175 Shares to 811,000,762 Shares. The Company has not utilised any proceeds from the Rights Shares as at this date.

Corporate Social Responsibility

Corporate Social Responsibility (the "CSR") plays an essential role in the long-term success of our business. It is important that we align our interests with that of the communities in which we operate in order to gain the support of the local communities and government agencies. We believe that our initiatives and emphasis on returning to the communities and looking after the welfare of our staff have translated into goodwill for our Group, contributing to high employee retention rate and positive staff morale.

Environmental Policy

We share our customers' commitment to the protection of our environment and we believe in the importance of caring for our planet and encouraging others to play their part. Being one of the leading companies involving in agricultural business, we recognize our obligation and commitment to create a better living environment for our current and next generation.

Commitment to Sustainable Development

Our Directors recognise the importance of being a responsible steward of the land we manage. With this objective, the Company has established a CSR policy which includes the review of the following areas of the Group's activities:

- (a) to review and recommend the Group's policy with regards to CSR issues;
- (b) to review the Group's environmental policies and practices;
- (c) to review the social impact of the Group's business practices in the communities that the Group operates in;
- (d) to review and recommend policies and practices with regard to key stakeholders (employees, business partners, customers, suppliers); and
- (e) to review and recommend policies and practices with regard to regulators.

Core Values of the CSR Framework

The Company aims to be recognised as an organisation that is transparent and ethical in all its dealings as well as making a positive contribution to the communities in which it operates. We are committed to being a deeply responsible company in the communities with the following core values in all aspects of the work, including the fulfilment of the social responsibilities, toward achieving sustainable development:

- Clear direction, strong leadership and open communication;
- Customer focus;
- Equality, fairness and transparency;
- Development of positive working relationships with others; and
- Respect for people.

Toward Sustainability Strategies

The Company will seek to achieve corporate and social objectives by focusing on four strategic areas:

Good Relations - adopting an employee relations strategy to enhance management and employee interactions and to promote work-life balance and health among employees.

Community Impact - encouraging staff to be involved in projects in support of the wider community.

Fair Trade - providing farmers decent working conditions and fair terms of trade for farmers so as to maintain local sustainability.

Environment - developing environmental management practices that minimise adverse impact on the environment.

We remain continually committed with the CSR, which is being integral to the Group's overall business strategies and operations, and benefits delivered to the Company and its stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others.

Report of the Directors

The Directors of the Company present their report to the members together with the audited financial statements of Yamada Green Resources Limited (the "Company") and its subsidiary corporations (the "Group") for the financial year ended 30 June 2015 and the statement of financial position of the Company as at 30 June 2015.

1. Directors

The Directors of the Company in office at the date of this report are as follows:

Mr Chen Qiuhai Mr Lin Weibin Mr Chua Ser Miang Mr Chang Feng-chang Mr Goi Kok Neng Professor Tan Cheng Han

2. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for performance shares granted under the Yamada Green Resources Performance Share Plan as disclosed below.

3. Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), none of the Directors of the Company who held office at the end of the financial year had any interest in the shares or debentures of the Company and its related corporations except as detailed below:

Name of Directors and companies	Shareholdings in which Director	
in which interests are held	is deemed to have an interest	
	Balance as at 1.7.2014	Balance as at 30.6.2015
<u>Company</u> Yamada Green Resources Limited	Number of or	dinary shares
Chen Qiuhai	195,736,718 ⁽¹⁾	195,936,718 ⁽¹⁾
Chang Feng-chang	600,000 ⁽²⁾	900,000 ⁽²⁾

⁽¹⁾ Chen Qiuhai is deemed to be interested in the capital of the Company which are held by Sanwang Holdings Limited through its nominee, UOB Kay Hian Pte Ltd.

⁽²⁾ Chang Feng-chang is deemed interested in the capital of the Company held by Kingsley Capital International Pte. Ltd., which is wholly-owned by him.

By virtue of Section 7 of the Act, Chen Qiuhai is deemed to have an interest in all subsidiary corporations of the Company. In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 July 2015 in the shares of the Company have not changed from those disclosed as at 30 June 2015.

Report of the Directors

4. Directors' contractual benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the financial statements. Certain Directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5. Share options and performance shares

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

The Company has adopted a share incentive scheme, Yamada Green Resources Share Option Scheme (the "Scheme") and a performance incentive scheme, Yamada Green Resources Performance Share Plan (the "Plan"). The Scheme and the Plan, collectively known as the Schemes, were approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 29 April 2011. The Schemes are administered by the Company's Remuneration Committee, comprising of Mr Chang Feng-chang, Mr Chua Ser Miang and Professor Tan Cheng Han.

The Plan awards fully-paid ordinary shares in the capital of the Company, their equivalent cash value or combination thereof will be granted, free of payment to eligible group employees and group executive directors. Awards of performance shares are granted conditional that certain prescribed performance targets are satisfied within a prescribed performance period. The Company has made an offer on the grant of share awards ("Offer") on 29 December 2011. The Offer of shares performance period in which the performance targets are to be met is the period from 1 July 2011 to 30 June 2014. A specified number of performance shares shall be released to the participants over three years from the date of grant to 31 December 2014. The Offer expired on 31 December 2014.

The participants should be with the Group for at least 12 months as at the date of granting the performance shares to receive the performance shares. The entitlement will be forfeited if the participant leaves the Company during the vesting period.

Shares allotted and issued on the award of the Plan shall be subjected to all the provisions of the Articles of Association of the Company, and shall rank pari passu in all respects with the existing issued ordinary shares. Participants are not required to pay for the awards.

The aggregate number of shares to be issued pursuant to the Schemes shall not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

The awards granted under the Plan are as follows:

	Conditional		Aggregate conditional	Aggregate
	awards	Awards	awards	awards
	granted during the financial year ended	released during the financial year ended	granted since commencement of the Plan to	released since commencement of the Plan to
Name of participant	30.6.2015 ('000)	30.6.2015 ('000)	30.6.2015 ('000)	30.6.2015 ('000)
Group Executives	0	7,830	0 - 25,000	25,000

Report of the Directors

6. Audit committee

The Audit Committee of the Company, consisting all Non-Executive Directors, is chaired by Mr Chua Ser Miang, Lead Independent Director, and includes Mr Chang Feng-chang, Independent Director and Professor Tan Cheng Han, Non-Executive Director. The Audit Committee has met five times since the previous financial year to the date of this report and has reviewed the following, where relevant, with the Executive Directors and external and internal auditors of the Company:

- (a) the audit plans and results of the external and internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- (b) the Group's financial and operating results and accounting policies;
- (c) the statement of financial position of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and external auditor's report on those financial statements;
- (d) the quarterly and annual announcements as well as the related press releases on the results and financial position of the Group and the Company;
- (e) the co-operation and assistance given by the management to the Company's external and internal auditors;
- (f) the interested person transactions to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its shareholders; and
- (g) the re-appointment of the external auditor of the Company.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officers to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting.

7. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Chen Qiuhai Director

28 September 2015

Lin Weibin Director

Statement by the Directors

In the opinion of the Board of Directors,

- (a) the accompanying consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Chen Qiuhai Director

28 September 2015

Lin Weibin Director

Independent Auditor's Report

To the Members of Yamada Green Resources Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Yamada Green Resources Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 43 to 88, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2015, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

BDO LLP Public Accountants and Chartered Accountants

Singapore 28 September 2015

Consolidated Statement Of Comprehensive Income

For the financial year ended 30 June 2015

		Gro	oup
	Note	2015 RMB'000	2014 RMB'000
Revenue	4	503,936	611,422
Cost of sales		(381,568)	(464,554)
Gross profit		122,368	146,868
Other items of income			
Interest income from banks		59	84
Other income	5	7,601	3,064
Gain from changes in fair value of biological assets	12	18,208	13,037
Other items of expense			
Selling and distribution expenses		(6,120)	(6,065)
Administrative expenses		(38,327)	(28,702)
Other expenses		(5,787)	(10,715)
Finance cost	6	(2,045)	(1,610)
Profit before income tax	7	95,957	115,961
Income tax expense	9	(9,728)	(13,371)
Profit for the financial year, representing total comprehensive income			
for the financial year		86,229	102,590
Profit attributable to:			
Owners of the Company		86,229	102,590
Total comprehensive income attributable to:			
Owners of the Company	:	86,229	102,590
Earnings per share (RMB cents)	10		
- Basic		16.1	20.5
- Diluted		16.1	20.1

Statements of Financial Position

As at 30 June 2015

		Group		Group Con			mpany	
	Note	2015	2014	2015	2014			
		RMB'000	RMB'000	RMB'000	RMB'000			
Non-current assets								
Property, plant and equipment	11	179,471	104,368	7	10			
Biological assets	12	171,585	158,714	_	_			
Land use rights	13	24,557	98,104	_	_			
Investments in subsidiaries	14	_	_	117,266	117,266			
Prepayments	15	343,244	138,745	_	_			
Deferred tax assets	16	2,005	1,918		_			
Total non-current assets		720,862	501,849	117,273	117,276			
Current assets								
Biological assets	12	6,858	23,750	_	_			
Inventories	17	16,424	13,671	_	_			
Trade and other receivables	18	167,696	266,591	108,054	83,100			
Current income tax recoverable		63	831	_	_			
Cash and bank balances	19	27,440	21,591	4,501	3,403			
Total current assets		218,481	326,434	112,555	86,503			
Less:								
Current liabilities								
Trade and other payables	20	16,203	21,975	977	921			
Bank borrowings	21	42,000	30,000	_	_			
Current income tax payable		3,916	6,543	525	767			
Total current liabilities		62,119	58,518	1,502	1,688			
Net current assets		156,362	267,916	111,053	84,815			
Non-current liabilities								
Deferred tax liabilities	16	3,711	3,711		_			
Net assets		873,513	766,054	228,326	202,091			
Equity								
Share capital	22	221,090	190,471	221,090	190,471			
Share-based payment reserve	23	2,016	4,995	2,016	4,995			
Statutory reserve	24	65,338	59,306		_			
Accumulated profits		585,069	511,282	5,220	6,625			
Total equity attributable to owners		*	· · ·					
of the Company		873,513	766,054	228,326	202,091			

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2015

	Attributable to owners of the Company Share- based				
	Share capital	payment reserve	Statutory reserve	Accumulated profits	Total equity
Group	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.7.2014 Profit for the financial year, representing total comprehensive income for the financial year	190,471	4,995	59,306	511,282 86,229	766,054 86,229
Contributions by and distributions to owners of the Company					
Dividends (Note 25)	_	_	-	(6,410)	(6,410)
Issue of placement shares (Note 22)	27,865	_	-	_	27,865
Share issue expenses (Note 22)	(225)	—	-	_	(225)
Issue of ordinary shares (Note 22)	2,979	(2,979)	-	_	-
Total contributions by and distributions to owners of the Company	30,619	(2,979)	_	(6,410)	21,230
<u>Others</u> Transfer to statutory reserve	_	_	6,032	(6,032)	_
Balance as at 30.6.2015	221,090	2,016	65,338	585,069	873,513
Balance as at 1.7.2013 Profit for the financial year, representing total comprehensive income for the financial year	186,092	6,395	55,141	419,320 102,590	666,948 102,590
Contributions by and distributions to owners of the Company					
Dividends (Note 25)	_	_	_	(6,463)	(6,463)
Issue of placement shares (Note 22)	4,379	(4,379)	_	_	_
Share-based payments	_	2,979	_	_	2,979
Total contributions by and distributions to owners of the Company	4,379	(1,400)	_	(6,463)	(3,484)
<u>Others</u> Transfer to statutory reserve	_	_	4,165	(4,165)	_
Balance as at 30.6.2014	190,471	4,995	59,306	511,282	766,054

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2015

	Group	
	2015	. 2014
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before income tax	95,957	115,961
Adjustments for:		
Amortisation of biological assets	155,354	252,578
Amortisation of land use rights	1,601	2,772
Amortisation of prepayments	37,682	18,125
Depreciation of property, plant and equipment	8,452	8,180
Interest expense	2,045	1,610
Interest income	(59)	(84)
Gain from changes in fair value of biological assets	(18,208)	(13,037)
Gain on disposal of biological assets	_	(617)
Loss on disposal of land use rights	5,948	_
Gain on disposal of property, plant and equipment	(2)	_
Property, plant and equipment written off	4,224	3
Share-based payment expenses	_	2,979
Operating cash flows before working capital changes	292,994	388,470
Working capital changes:		
Biological assets	(133,125)	(226,616)
Inventories	(2,753)	2,654
Trade and other receivables	135,926	(33,501)
Trade and other payables	(5,772)	2,235
Cash generated from operations	287,270	133,242
Interest received	59	84
Income taxes paid	(11,634)	(11,579)
Net cash from operating activities	275,695	121,747
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	14	_
Proceeds from termination of lease of mushroom farmlands and		
eucalyptus plantations	17,336	_
Proceeds from disposal of biological assets	_	4,280
Proceeds from disposal of land use rights	65,998	-
Purchase of property, plant and equipment	(87,791)	(58,394)
Purchase of land use rights	_	(135)
Prepayments	(296,588)	(88,942)
Net cash used in investing activities	(301,031)	(143,191)
Cash flows from financing activities		
Proceeds from issuance of placement shares	27,865	_
Expenses related to issuance of placement shares	(225)	_
Proceeds from bank borrowings	42,000	30,000
Repayment of bank borrowings	(30,000)	
Interest paid	(2,045)	(1,610)
Dividends paid	(6,410)	(6,463)
Net cash from financing activities	31,185	21,927
Net change in cash and bank balances	5,849	483
Cash and bank balances as at the beginning of the financial year	21,591	21,108
Cash and bank balances as at the end of the financial year (Note 19)	27,440	21,591

For the financial year ended 30 June 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General corporate information

Yamada Green Resources Limited (the "Company") (Registration Number: 201002962E) is a public company limited by shares, incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company does not have a place of business in Singapore as its principal activity is that of investment holding company. The registered office of the Company is at 6 Battery Road #10-01, Singapore 049909.

The principal activities of the subsidiaries are set out in Note 14 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 30 June 2015 were authorised for issue by the Board of Directors on 28 September 2015.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Chinese renminbi ("RMB") which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand ("RMB'000") as indicated, unless otherwise stated.

The preparation of financial statements in compliance with FRS requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3.

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new or revised FRS and INT FRS did not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

For the financial year ended 30 June 2015

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective

At the date of authorisation of these financial statements, the Group has not adopted the following relevant FRS and INT FRS that have been issued but not yet effective:

			Effective date (annual periods beginning on or after)
FRS 1 (Amendments)	:	Disclosure Initiative	1 January 2016
FRS 16 and FRS 38 (Amendments)	:	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 16 and FRS 41 (Amendments)	:	Agriculture: Bearer Plants	1 January 2016
FRS 27 (Amendments)	:	Equity Method in Separate Financial Statements	1 January 2016
FRS 109	:	Financial Instruments	1 January 2018
FRS 110 and FRS 28 (Amendments)	:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
FRS 111 (Amendments)	:	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 114	:	Regulatory Deferral Accounts	1 January 2016
FRS 115	:	Revenue from Contracts with Customers	1 January 2017
Improvements to FRSs (November 20	014)	
- FRS 19 (Amendments)	:	Employees Benefits	1 January 2016
- FRS 34 (Amendments)	:	Interim Financial Reporting	1 January 2016
- FRS 105 (Amendments)	:	Non-current Assets Held for sale and Discontinued Operations	1 January 2016

Consequential amendments were also made to various standards as a result of these new or revised standards.

: Financial Instruments: Disclosures

1 January 2016

Except as disclosed below, management anticipates that the adoption of the above FRS and INT FRS in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

FRS 109 Financial Instruments

- FRS 107 (Amendments)

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flows and to sell the financial assets.

For the financial year ended 30 June 2015

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective (Continued)

FRS 109 Financial Instruments (Continued)

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group plans to adopt FRS 109 in the financial year beginning on 1 July 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard, however the Group will be required to reassess the classification and measurement of financial assets, and new impairment requirement are expected to result in changes for impairment provision on trade receivables and other financial assets not measured at fair value through profit or loss.

FRS 115 Revenue from Contracts with Customers

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

On initial adoption of this standard there may be a potentially significant impact on the timing and profile of revenue recognition of the Group. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard. The Group plans to adopt the standard in the financial year beginning on 1 July 2017 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

For the financial year ended 30 June 2015

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is obtained by to the Group up to the effective date on which control is lost, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Investments in subsidiaries in the Company's statement of financial position are carried at cost less any impairment loss that has been recognised in profit or loss.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of estimated customer returns, rebates, other similar allowances and sales related taxes.

Sale of goods

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Normally these criteria are met when the goods are delivered to and accepted by the buyer.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

For the financial year ended 30 June 2015

2. Summary of significant accounting policies (Continued)

2.4 Retirement benefit costs

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Singapore Central Provident Fund and the social security contribution plan in People's Republic of China ("PRC") on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Contributions to defined contribution plans are recognised as an expense in profit or loss in the same financial year as the employment that gives rise to the contributions.

2.5 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

2.6 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the end of the financial year.

2.7 Share-based payments

The fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

2.8 Operating leases

Prepaid leases

The Group leases mushroom farmlands, eucalyptus plantations and bamboo plantations under operating leases and the leases run for a period of 20 years, 10 years and 10 to 15 years respectively. The upfront lump-sum payments made under the leases are amortised to profit or loss on a straight-line method over the term of the leases. The amortisation amount of mushroom farmlands, eucalyptus plantations and bamboo plantations are included in cost of sales, administrative expenses and other expenses line of the consolidated statement of comprehensive income respectively.

Other operating leases

Rentals payable under operating leases (net of any incentives received from lessors) are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

For the financial year ended 30 June 2015

2. Summary of significant accounting policies (Continued)

2.9 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the tax authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

<u>Sales tax</u>

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

For the financial year ended 30 June 2015

2. Summary of significant accounting policies (Continued)

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

2.11 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

2.12 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the property, plant and equipment when it is probable that the future economic benefits, in excess of the standard of performance of the property, plant and equipment before the expenditure was made, will flow to the Group, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Depreciation is charged so as to write off the depreciable amount of the assets, other than construction-inprogress, over their estimated useful lives, using the straight-line method, on the following bases:

	Years
Buildings	20
Motor vehicles	10
Office equipment	5
Plant & machinery	10
Fixtures & fittings	5 – 10
Farm equipment & fixtures	3 - 5

Construction-in-progress ("CIP") represents property, plant and equipment under construction and is stated at cost less impairment and is not depreciated. Cost comprises all direct costs and relevant professional fees. CIP is reclassified to the appropriate category of property, plant and equipment and depreciation commences when the construction work is completed and the asset is ready for use.

For the financial year ended 30 June 2015

2. Summary of significant accounting policies (Continued)

2.12 Property, plant and equipment (Continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13 Biological assets

Synthetic logs (including mycelia)

Synthetic logs are stated at cost less accumulated amortisation and any accumulated impairment losses. The cost of the synthetic logs includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation is provided using units of production method over a period of seven months.

Eucalyptus trees and moso bamboo trees and bamboo shoots in plantations

Eucalyptus trees and moso bamboo trees and bamboo shoots in plantations are classified as biological assets and stated at fair value less costs to sell.

Gains or losses arising on initial recognition of plantations at fair value less costs to sell and from the change in fair value less costs to sell of plantations at the end of each financial year are included in profit or loss in the financial year in which they arise.

Biological assets that are expected to be realised in the next harvest within twelve months from the end of financial year are included as current assets.

2.14 Land use rights

Land use rights are stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of land use rights is calculated on a straight-line method to write off the cost of the land use rights over the lease terms of 41.1 to 51.8 years.

2.15 Impairment of non-financial assets excluding goodwill

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the financial year ended 30 June 2015

2. Summary of significant accounting policies (Continued)

2.15 Impairment of non-financial assets excluding goodwill (Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.17 Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the Group becomes a party to the contractual provisions of the financial instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

Financial assets are initially measured at fair value, plus transaction costs.

The Group classifies its financial assets as loans and receivables. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

Non-derivative financial assets which have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's loans and receivables in the statements of financial position comprise trade and other receivables (other than advances to suppliers, value added tax ("VAT") receivables and prepayments) and cash and bank balances.

For the financial year ended 30 June 2015

2. Summary of significant accounting policies (Continued)

2.17 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that the estimated future cash flows of the assets have been impacted.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

Financial liabilities

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Bank borrowings

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see above).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

For the financial year ended 30 June 2015

2. Summary of significant accounting policies (Continued)

2.18 Cash and bank balances

Cash and bank balances comprise cash on hand and demand deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.19 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements made in applying the entity's accounting policies

In the process of applying Group's accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

Impairment of investments in subsidiaries and financial assets

The Group and the Company follow the guidance of FRS 36 and FRS 39 in determining when an investment in subsidiary or a financial asset is impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the fair value of an investment in subsidiary or a financial asset is less than its cost and the financial health of and near-term business outlook for the investment or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

For the financial year ended 30 June 2015

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year, are discussed below.

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line method over their estimated useful lives after taking into account their estimated residual values. The management estimates the useful lives of the property, plant and equipment to be within 3 to 20 years. The residual value reflects management's estimated amount that the Group would obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the Group's and the Company's property, plant and equipment as at 30 June 2015 were approximately RMB179,471,000 (2014: RMB104,368,000) and RMB7,000 (2014: RMB10,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of the property, plant and equipment, therefore, future depreciation charges could be revised.

(ii) Allowance for impairment of trade and other receivables

The policy for impairment of receivables of the Group is based on the ageing analysis and management's ongoing evaluation of the recoverability of the outstanding receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the assessment of the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables (excluding advances to suppliers, VAT receivables and prepayments) as at 30 June 2015 were approximately RMB55,231,000 (2014: RMB71,973,000) and RMB107,576,000 (2014: RMB83,091,000) respectively.

(iii) Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the year in which such determination is made. The carrying amount of the Group's current income tax payable as at 30 June 2015 was approximately RMB3,916,000 (2014: RMB6,543,000). The carrying amount of the Group's deferred tax assets and current income tax recoverable as at 30 June 2015 was RMB2,005,000 (2014: RMB1,918,000) and RMB63,000 (2014: RMB831,000) respectively.

(iv) <u>Withholding tax on undistributed profits</u>

According to the New Corporate Income Tax Law ("CIT") and the Detailed Implementation Regulations, dividends distributed to the foreign investor by Foreign Invested Enterprises ("FIE") in the PRC, would be subject to withholding tax of 10% (5% for countries including Singapore which have entered into respective bilateral treaties with the PRC). The FIE's profits, arising in the financial year 2008 and beyond, to be distributed to the foreign investors as dividends shall be subject to withholding tax. The management has considered the above tax exposure and has provided for deferred tax liability as at 30 June 2015 based on the assumption that the FIE will, in the foreseeable future, declare dividend payments to the Company and there will be withholding tax on dividends to be distributed out of the accumulated profits. The carrying amount of the Group's deferred tax liability on undistributed profits as at 30 June 2015 was approximately RMB3,711,000 (2014: RMB3,711,000).

For the financial year ended 30 June 2015

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(v) <u>Biological assets (Eucalyptus trees and moso bamboo trees and bamboo shoots)</u>

Eucalyptus trees and moso bamboo trees and bamboo shoots in plantations included in the Group's biological assets are stated at fair value less costs to sell. The fair value of these biological assets is determined based on the present value of expected net cash flows from the biological assets discounted at a current market-determined pre-tax rate. The fair value of the biological assets is determined by an independent valuation firm. Changes in conditions of the biological assets could impact the fair value of the assets.

The carrying amount of the Group's biological assets (eucalyptus trees and moso bamboo trees and bamboo shoots) as at 30 June 2015 was approximately RMB171,585,000 (2014: RMB158,714,000). The independent valuation firm used highly subjective assumptions and estimates to determine the valuation of the biological assets. These assumptions and estimates involve inherent uncertainties and the application of judgements. As a result, if factors change and this independent valuation firm uses different assumptions and estimates, the fair value of the biological assets could be materially different. The valuations are based on information available on initial recognition and at each reporting date.

4. Revenue

	Group	
	2015	2014
	RMB'000	RMB'000
Self-cultivated		
- edible fungi	240,935	401,950
- bamboo trees and bamboo shoots	74,353	13,052
- eucalyptus trees	_	4,280
Processed food products	188,648	192,140
	503,936	611,422

5. Other income

	Group	
	2015	2014
	RMB'000	RMB'000
Gain on disposal of property, plant and equipment	2	_
Government subsidies	2,090	564
Miscellaneous income	5,509	2,500
	7,601	3,064

Government subsidies relate to subsidies for the subsidiary's research and development projects, received from government-related agencies in support of agricultural activities in PRC. There are no unfulfilled conditions or contingencies attached to these grants.

Miscellaneous income relates mainly to rental received from letting out spare office spaces in our subsidiaries and compensation received on termination of investment and tentative business collaboration with external parties.

For the financial year ended 30 June 2015

6. Finance cost

	Gro	oup
	2015 RMB'000	2014 RMB'000
Interest expenses on bank loan	2,045	1,610

7. Profit before income tax

The above is arrived at after charging:

RMB'000 RMB'000 Cost of sales 381,568 464,554 Amortisation of biological assets 155,354 252,578 Amortisation of prepaid lease of mushroom farmlands 1,930 3,390 Amortisation of prepaid lease of bamboo plantations 27,479 1,977 Cost on raw material and packaging material 100,126 114,412 Depreciation of property, plant and equipment 3,765 5,134 Operating lease expenses – warehouse 19 119 Maintenance cost – bamboo plantations 8,394 - Outsourced cutting costs – bamboo shoots and bamboo trees 10,537 2,577 Selling and distribution expenses Amortisation of prepaid lease of eucalyptus plantations 8,394 - Administrative expenses 2,400 2,401 2,477 Administrative expenses 2,400 2,401 2,777 Audit fees - - 363 - - auditor of the Company 576 596 - 433 376 - auditor of the Company 7 11 1 22 </th <th></th> <th>Gro 2015</th> <th colspan="2">up 2014</th>		Gro 2015	up 2014	
Cost of inventories recognised as an expense381,568464,554Amortisation of biological assets155,354252,578Amortisation of prepaid lease of bamboo plantations27,4791,977Cost on raw material and packaging material100,126114,412Depreciation of property, plant and equipment3,7655,134Outsourced cutting costs – bamboo shoots and bamboo trees10,5372,577Selling and distribution expenses8,394-Carriage outwards617350Freight charges784767Administrative expenses433376Amortisation of prepaid lease of eucalyptus plantations853-Amortisation of prepaid lease of eucalyptus plantations853-Amortisation of prepaid lease of eucalyptus plantations853-Administrative expenses2,4002,4012,772Audit fees auditor of the Company576596- other auditors433376Non-audit fees auditor of the Company711Depreciation of property, plant and equipment4,5303,047- auditor of the Company711Depreciation of property, plant and equipment4,2243Loss on disposal of land use rights5,948-Other expenses3,0572,519-Amortisation of prepaid lease of bamboo plantations5,948-Other expenses5,948-Other exp		RMB'000	RMB'000	
Amortisation of biological assets155,354252,578Amortisation of prepaid lease of mushroom farmlands1,9303,390Amortisation of prepaid lease of bamboo plantations27,4791,977Cost on raw material and packaging material100,126114,412Depreciation of property, plant and equipment3,7655,134Operating lease expenses – warehouse19119Maintenance cost – bamboo plantations8,394-Outsourced cutting costs – bamboo shoots and bamboo trees10,5372,577Selling and distribution expenses10,5372,577Administrative expenses2,4002,401Carriage outwards617350Freight charges784767Administrative expenses1,6012,772Audit fees1,6012,772Audit fees433376- auditor of the Company576596- dutior of the Company7111Depreciation of property, plant and equipment4,5303,046Operating lease expenses – office premises9211Research expenses3,0572,519Property, plant and equipment4,5303,046Operating lease expenses – office premises9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses5,948-3,293Other expensesMortisation of prepaid	Cost of sales			
Amortisation of prepaid lease of mushroom farmlands1,9303,390Amortisation of prepaid lease of bamboo plantations27,4791,977Cost on raw material and packaging material100,126114,412Depreciation of property, plant and equipment3,7655,134Operating lease expenses - warehouse19119Maintenance cost - bamboo plantations8,394-Outsourced cutting costs - bamboo shoots and bamboo trees10,5372,577Selling and distribution expenses617350Amortisation of prepaid other operating expenses2,4002,401Carriage outwards617350Freight charges784767Administrative expenses1,6012,772Auditor of the Company576596- auditor of the Company576596- auditor of the Company711Depreciation of property, plant and equipment4,5303,046Operating lease expenses - office premises9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses3,0572,519Amortisation of prepaid lease of bamboo plantations-3,057	Cost of inventories recognised as an expense	381,568	464,554	
Amortisation of prepaid lease of bamboo plantations27,4791,977Cost on raw material and packaging material100,126114,412Depreciation of property, plant and equipment3,7655,134Operating lease expenses – warehouse19119Maintenance cost – bamboo plantations8,394-Outsourced cutting costs – bamboo shoots and bamboo trees10,5372,577Selling and distribution expenses2,4002,401Carriage outwards617350Freight charges784767Administrative expenses1,6012,772Auditor of the Company576596- auditor of the Company576596- other auditors433376Non-audit fees9211Depreciation of property, plant and equipment4,5303,046Operating lease expenses – office premises9211Research expenses9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses5,948Other expenses5,948Amortisation of prepaid lease of bamboo plantations-3,293	Amortisation of biological assets	155,354	252,578	
Cost on raw material and packaging material100,126114,412Depreciation of property, plant and equipment3,7655,134Operating lease expenses - warehouse19119Maintenance cost - bamboo plantations8,394-Outsourced cutting costs - bamboo shoots and bamboo trees10,5372,577Selling and distribution expenses10,5372,577Amortisation of prepaid other operating expenses2,4002,401Carriage outwards617350Freight charges784767Administrative expenses1,6012,772Auditor of the Company576596- auditor of the Company576596- other auditors4333766Non-audit fees9211Depreciation of property, plant and equipment4,5303,046Operating lease expenses - office premises9211Research expenses9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses5,948-Amortisation of prepaid lease of bamboo plantations-3,293	Amortisation of prepaid lease of mushroom farmlands	1,930	3,390	
Depreciation of property, plant and equipment3,7655,134Operating lease expenses - warehouse19119Maintenance cost - bamboo plantations8,394Outsourced cutting costs - bamboo shoots and bamboo trees10,5372,577Selling and distribution expenses617350Amortisation of prepaid other operating expenses2,4002,401Carriage outwards617350Freight charges784767Administrative expenses784767Auditor of the Company576596- auditor of the Company576596- other auditors433376Non-audit fees9211Depreciation of property, plant and equipment4,5303,046Operating lease expenses9211Research expenses9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948Amortisation of prepaid lease of bamboo plantations-3,293	Amortisation of prepaid lease of bamboo plantations	27,479	1,977	
Operating lease expenses – warehouse19119Maintenance cost – bamboo plantations8,394-Outsourced cutting costs – bamboo shoots and bamboo trees10,5372,577Selling and distribution expenses617350Amortisation of prepaid other operating expenses617350Freight charges784767Administrative expenses784767Administrative expenses1,6012,772Audit fees1,6012,772- auditor of the Company576596- other auditors433376Non-audit fees9211Depreciation of property, plant and equipment4,5303,046Operating lease expenses9211Research expenses9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Amortisation of prepaid lease of bamboo plantations-3,293	Cost on raw material and packaging material	100,126	114,412	
Maintenance cost - bamboo plantations8,394-Outsourced cutting costs - bamboo shoots and bamboo trees10,5372,577Selling and distribution expensesAmortisation of prepaid other operating expenses2,4002,401Carriage outwards617350Freight charges784767Administrative expenses784767Administrative expenses1,6012,772Auditor of prepaid lease of eucalyptus plantations853-Amortisation of prepaid lease of eucalyptus plantations853-Amortisation of the Company576596- auditor of the Company576596- auditor of the Company711Depreciation of property, plant and equipment4,5303,046Operating lease expenses9211Research expenses9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses5,948Other expenses5,948Amortisation of prepaid lease of bamboo plantations-3,293	Depreciation of property, plant and equipment	3,765	5,134	
Outsourced cutting costs – bamboo shoots and bamboo trees10,5372,577Selling and distribution expensesAmortisation of prepaid other operating expenses2,4002,401Carriage outwards617350Freight charges784767Administrative expenses784767Administrative expenses853–Amortisation of prepaid lease of eucalyptus plantations853–Amortisation of land use rights1,6012,772Audit fees auditor of the Company576596- other auditors433376Non-audit fees auditor of the Company711Depreciation of property, plant and equipment4,5303,046Operating lease expenses9211Research expenses9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948–Other expenses-3,293	Operating lease expenses – warehouse	19	119	
Selling and distribution expensesAmortisation of prepaid other operating expenses2,400Carriage outwards617Freight charges784Administrative expenses784Amortisation of prepaid lease of eucalyptus plantations853Amortisation of land use rights1,601Auditor of the Company576- auditor of the Company576- auditor of the Company7- auditor of property, plant and equipment- auditor of property, plant and equipment- auditor of the company5,948- auditor of prepaid lease of bamboo plantations-	Maintenance cost – bamboo plantations	8,394	_	
Amortisation of prepaid other operating expenses2,4002,401Carriage outwards617350Freight charges784767Administrative expenses853-Amortisation of prepaid lease of eucalyptus plantations853-Amortisation of land use rights1,6012,772Audit fees auditor of the Company576596- other auditors433376Non-audit fees auditor of the Company711Depreciation of property, plant and equipment4,5303,046Operating lease expenses – office premises9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses-3,293	Outsourced cutting costs – bamboo shoots and bamboo trees	10,537	2,577	
Carriage outwards617350Freight charges784767Administrative expensesAmortisation of prepaid lease of eucalyptus plantations853-Amortisation of land use rights1,6012,772Audit fees1,6012,772- auditor of the Company576596- other auditors433376Non-audit fees7111Depreciation of property, plant and equipment4,5303,046Operating lease expenses92111Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses5,948-Amortisation of prepaid lease of bamboo plantations-3,293	Selling and distribution expenses			
Freight charges784767Administrative expensesAmortisation of prepaid lease of eucalyptus plantations853-Amortisation of land use rights1,6012,772Audit fees1,6012,772- auditor of the Company576596- other auditors433376Non-audit fees711Depreciation of property, plant and equipment4,5303,046Operating lease expenses - office premises9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses0-3,293	Amortisation of prepaid other operating expenses	2,400	2,401	
Administrative expensesAmortisation of prepaid lease of eucalyptus plantations853Amortisation of land use rights1,601Audit fees1,601- auditor of the Company576- auditor of the Company576- other auditors433Non-audit fees11Depreciation of property, plant and equipment4,530Operating lease expenses9211Research expensesProperty, plant and equipment written-off4,224Auotis on disposal of land use rights5,948Other expenses5,948Amortisation of prepaid lease of bamboo plantations-3,0572,293	Carriage outwards	617	350	
Amortisation of prepaid lease of eucalyptus plantations853-Amortisation of land use rights1,6012,772Audit fees1,6012,772- auditor of the Company576596- other auditors433376Non-audit fees11- auditor of the Company711Depreciation of property, plant and equipment4,5303,046Operating lease expenses – office premises9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses0-3,293	Freight charges	784	767	
Amortisation of land use rights1,6012,772Audit fees <td>Administrative expenses</td> <td></td> <td></td>	Administrative expenses			
Audit fees- auditor of the Company576596- other auditors433376Non-audit fees433376- auditor of the Company711Depreciation of property, plant and equipment4,5303,046Operating lease expenses – office premises9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses0-3,293	Amortisation of prepaid lease of eucalyptus plantations	853	_	
- auditor of the Company576596- other auditors433376Non-audit fees433376- auditor of the Company711Depreciation of property, plant and equipment4,5303,046Operating lease expenses – office premises9211Research expenses9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses0-3,293	Amortisation of land use rights	1,601	2,772	
- other auditors433376Non-audit fees auditor of the Company711Depreciation of property, plant and equipment4,5303,046Operating lease expenses – office premises9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses0-3,293	Audit fees			
Non-audit fees- auditor of the Company7Depreciation of property, plant and equipment4,530Operating lease expenses – office premises9211Research expenses3,057Property, plant and equipment written-off4,224Loss on disposal of land use rights5,948Other expenses-Amortisation of prepaid lease of bamboo plantations-3,293	- auditor of the Company	576	596	
- auditor of the Company711Depreciation of property, plant and equipment4,5303,046Operating lease expenses - office premises9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses03,293	- other auditors	433	376	
Depreciation of property, plant and equipment4,5303,046Operating lease expenses – office premises9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses0-3,293	Non-audit fees			
Operating lease expenses – office premises9211Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses-3,293	- auditor of the Company	7	11	
Research expenses3,0572,519Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses-3,293	Depreciation of property, plant and equipment	4,530	3,046	
Property, plant and equipment written-off4,2243Loss on disposal of land use rights5,948-Other expenses-3,293	Operating lease expenses – office premises	92	11	
Loss on disposal of land use rights5,948Other expensesAmortisation of prepaid lease of bamboo plantations-3,293	Research expenses	3,057	2,519	
<u>Other expenses</u> Amortisation of prepaid lease of bamboo plantations – 3,293	Property, plant and equipment written-off	4,224	3	
Amortisation of prepaid lease of bamboo plantations-3,293	Loss on disposal of land use rights	5,948		
	Other expenses			
Amortisation of prepaid maintenance cost – eucalyptus plantations5,0206,989	Amortisation of prepaid lease of bamboo plantations	_	3,293	
	Amortisation of prepaid maintenance cost – eucalyptus plantations	5,020	6,989	
Depreciation of property, plant and equipment 157 –	Depreciation of property, plant and equipment	157	_	
Foreign exchange loss, net524427	Foreign exchange loss, net	524	427	

For the financial year ended 30 June 2015

8. Employee benefits expense

	Gro	oup
	2015	2014
	RMB'000	RMB'000
Salaries and related costs	17,335	17,472
Contributions to defined contribution plans	4,625	4,049
Share-based payment expenses		2,979
	21,960	24,500

The above is allocated to the following lines of the consolidated statement of comprehensive income:

	Gr	oup
	2015 RMB'000	2014 RMB'000
Cost of sales	9,662	9,952
Selling and distribution expenses	2,228	2,517
Administrative expenses	10,070	12,031
	21,960	24,500

These expenses include the amounts shown as key management personnel remuneration in Note 27 to the financial statements.

9. Income tax expense

	Gro	pup
	2015	2014
	RMB'000	RMB'000
Current income tax		
- current financial year	11,763	12,566
- (over)/underprovision in prior financial years	(1,948)	876
	9,815	13,442
Deferred tax		
- current financial year	_	(94)
- (over)/underprovision in prior financial years	(87)	23
	(87)	(71)
Total income tax expense recognised in profit or loss	9,728	13,371

For the financial year ended 30 June 2015

9. Income tax expense (Continued)

Reconciliation of effective tax rate

The income tax expense varied from the amount of income tax expense determined by applying the PRC income tax rate of 25% (2014: 25%) to profit before income tax as a result of the following differences:

	Gro	oup
	2015 RMB'000	2014 RMB'000
Profit before income tax	95,957	115,961
Income tax calculated at the applicable tax rate in PRC where the Group's taxable income is mainly derived	23,989	28,990
Tax effect of expenses not deductible for tax purposes	82,483	79,901
Tax effect of income not subject to tax	(94,850)	(96,457)
Foreign withholding tax	525	768
(Over)/underprovision in prior financial years	(2,035)	899
Effect of different tax rate	(442)	(646)
Others	58	(84)
	9,728	13,371

Applicable tax rate

The subsidiaries are subject to the Enterprise Income Tax Law of the PRC adopted by the National People's Congress and came into force on 1 January 2008 ("EIT Law").

(a) Fuzhou Wangcheng Foods Development Co., Ltd. ("Wangcheng")

In accordance with the EIT Law, the income tax rate applicable to Wangcheng is 25%.

(b) Nanping Yuanwang Foods Co., Ltd. ("Yuanwang")

In accordance with the EIT Law, the income tax rate applicable to Yuanwang is 25%.

(c) Zhangping Fengwang Agricultural Products Co., Ltd. ("Fengwang")

Fengwang, according to the approval issued by Zhangping State Tax Bureau dated 9 March 2012, has obtained full tax exemption for income tax from Fujian tax authority for income derived from cultivation, preliminary processing of agricultural products up to 6 October 2028.

(d) Zhangping Senwang Forestry Management Co., Ltd. ("Senwang")

Senwang, according to the approval issued by Zhangping State Tax Bureau dated 12 April 2012, has obtained full tax exemption for income tax from Fujian tax authority for income derived from cultivation of agricultural products up to 31 May 2031.

(e) Fuzhou Kangzhimei Foods Co., Ltd. ("Kangzhimei")

In accordance with the EIT Law, the income tax rate applicable to Kangzhimei is 25%.

(f) Nanping Lijiashan Forestry Co., Ltd. ("Lijiashan")

Lijiashan, according to the approval issued by Pucheng State Tax Bureau dated 5 May 2014, has obtained full tax exemption for income tax from Pucheng tax authority for income derived from cultivation of agricultural products up to 31 December 2014. The full tax exemption has been renewed to 31 December 2015.

For the financial year ended 30 June 2015

9. Income tax expense (Continued)

Applicable tax rate (Continued)

(g) Sanming Shansheng Forestry Co., Ltd. ("Shansheng")

Shansheng, according to the approval issued by Jiangle State Tax Bureau dated 25 November 2014, has obtained full tax exemption for income tax from Jiangle tax authority for income derived from cultivation of agricultural products up to 21 July 2034.

10. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following:

	Gro	pup
	2015	2014
	RMB'000	RMB'000
Profit for the financial year attributable to owners of the Company	86,229	102,590
	Gro	oup
	2015	2014
Weighted average (2014: weighted average) number of ordinary shares for		500 007 174
calculation of basic earnings per share	534,559,675	500,327,174
Adjustment for dilutive effect of the Yamada Green Resources Performance Share Plan (the "Plan")		9,397,500
Weighted average number of ordinary shares for calculation of diluted earnings per share	534,559,675	509,724,674
Earnings per share (RMB cents)		
- Basic	16.1	20.5
- Diluted	16.1	20.1

Basic earnings per share was computed based on the weighted average number of ordinary shares in issue of 534,559,675 (2014: 500,327,174). The weighted average number of ordinary shares represents the number of ordinary shares as at the beginning of the financial year, adjusted for new ordinary shares issued during the financial year, multiplied by a time-weighted factor.

Diluted earnings per share was computed based on the weighted average number of ordinary shares, adjusted for the effects of all potential dilutive ordinary shares granted by the Group. In the current financial year, diluted earnings per share are the same as basic earnings per share as the Group does not have any dilutive potential ordinary shares and issuance of ordinary shares for less than the average market price of the ordinary shares.

For the financial year ended 30 June 2015

	Buildings RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Plant & machinery RMB'000	Fixtures & fittings RMB'000	Farm equipment & fixtures RMB'000	Construction -in-progress RMB'000	Total RMB'000
Group Cost								
Balance as at 1.7.2014	60,093	2,062	1,130	19,886	06	14,366	40,315	137,942
Additions	205	Ι	27	1,005	17	7,195	79,342	87,791
Disposal	I	(240)	I	I	I	Ι	I	(240)
Written off	Ι	Ι	I	Ι	I	(17,882)	Ι	(17,882)
Reclassification	63,217	Ι	I	Ι	Ι	Ι	(63,217)	I
Balance as at 30.6.2015	123,515	1,822	1,157	20,891	107	3,679	56,440	207,611
Accumulated depreciation								
Balance as at 1.7.2014	7,778	1,839	678	11,989	27	11,263	I	33,574
Depreciation for the financial year	3,104	71	131	1,569	7	3,570	Ι	8,452
Disposal	Ι	(228)	I	I	Ι	Ι	Ι	(228)
Written off	Ι	Ι	I	I	Ι	(13,658)	Ι	(13,658)
Balance as at 30.6.2015	10,882	1,682	809	13,558	34	1,175	I	28,140
Carrying amount Balance as at 30.6.2015	112,633	140	348	7,333	73	2,504	56,440	179,471

Property, plant and equipment

1.

(Continued)
equipment
plant and
Property,

						Farm		
	Buildings RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Plant & machinery RMB'000	Fixtures & fittings RMB'000	equipment & fixtures RMB'000	Construction -in-progress RMB'000	Total RMB'000
Group								
Cost								
Balance as at 1.7.2013	30,977	2,125	933	18,758	83	14,024	13,588	80,488
Additions	1,916	I	213	1,128	7	1,203	53,927	58,394
Written off	I	(63)	(16)	I	I	(861)	I	(940)
Reclassification	27,200	I	I	Ι	Ι	I	(27,200)	I
Balance as at 30.6.2014	60,093	2,062	1,130	19,886	06	14,366	40,315	137,942
Accumulated depreciation								
Balance as at 1.7.2013	5,985	1,828	578	10,399	19	7,522	I	26,331
Depreciation for the financial year	1,793	71	116	1,590	00	4,602	I	8,180
Written off	I	(00)	(16)	Ι	Ι	(861)	Ι	(937)
Balance as at 30.6.2014	7,778	1,839	678	11,989	27	11,263	I	33,574
Carrying amount Balance as at 30.6.2014	52,315	223	452	7,897	63	3,103	40,315	104,368

For the financial year ended 30 June 2015

For the financial year ended 30 June 2015

11. Property, plant and equipment (Continued)

Company Cost 15 Balance as at 1.7.2014 and 30.6.2015 15 Accumulated depreciation 5 Balance as at 1.7.2014 5 Depreciation for the financial year 3 Balance as at 30.6.2015 8 Carrying amount 7 Balance as at 30.6.2015 7 Cost 7 Balance as at 1.7.2013 15 Additions 11 Written off (11) Balance as at 30.6.2014 15 Accumulated depreciation 12 Depreciation for the financial year 4 Written off (11) Balance as at 1.7.2013 12 Depreciation for the financial year 4 Written off (11) Balance as at 30.6.2014 5		Office equipment RMB'000
Balance as at 1.7.2014 and 30.6.2015 15 Accumulated depreciation 5 Depreciation for the financial year 3 Balance as at 30.6.2015 8 Carrying amount 8 Balance as at 30.6.2015 7 Cost 7 Balance as at 1.7.2013 15 Additions 11 Written off (11) Balance as at 30.6.2014 15 Accumulated depreciation 15 Accumulated depreciation 12 Depreciation for the financial year 4 Written off (11) Balance as at 30.6.2014 5 Cost 12 Coperciation for the financial year 4 Written off (11) Balance as at 30.6.2014 5	Company	
Accumulated depreciationBalance as at 1.7.20145Depreciation for the financial year3Balance as at 30.6.20158Carrying amount7Balance as at 30.6.20157Cost7Balance as at 1.7.201315Additions11Written off(11)Balance as at 30.6.201415Accumulated depreciation12Depreciation for the financial year4Written off(11)Balance as at 1.7.201312Cost5Cost11Cost11Balance as at 30.6.201415Accumulated depreciation12Balance as at 30.6.20145Carrying amount5	Cost	
Balance as at 1.7.20145Depreciation for the financial year3Balance as at 30.6.20158Carrying amountBalance as at 30.6.20157Cost7Balance as at 1.7.201315Additions11Written off(11)Balance as at 30.6.201415Accumulated depreciation12Depreciation for the financial year4Written off(11)Balance as at 30.6.20145Carrying amount	Balance as at 1.7.2014 and 30.6.2015	15
Depreciation for the financial year3Balance as at 30.6.20158Carrying amountBalance as at 30.6.20157Cost7Balance as at 1.7.201315Additions11Written off(11)Balance as at 30.6.201415Accumulated depreciationBalance as at 1.7.201312Depreciation for the financial year4Written off(11)Balance as at 30.6.20145Carrying amount	Accumulated depreciation	
Balance as at 30.6.20158Carrying amount7Balance as at 30.6.20157Cost7Balance as at 1.7.201315Additions11Written off(11)Balance as at 30.6.201415Accumulated depreciation12Balance as at 1.7.201312Depreciation for the financial year4Written off(11)Balance as at 30.6.20145	Balance as at 1.7.2014	5
Carrying amountBalance as at 30.6.20157Cost7Balance as at 1.7.201315Additions11Written off(11)Balance as at 30.6.201415Accumulated depreciation12Balance as at 1.7.201312Depreciation for the financial year4Written off(11)Balance as at 30.6.20145	Depreciation for the financial year	3
Balance as at 30.6.2015 7 Cost 15 Balance as at 1.7.2013 15 Additions 11 Written off (11) Balance as at 30.6.2014 15 Accumulated depreciation 12 Balance as at 1.7.2013 12 Depreciation for the financial year 4 Written off (11) Balance as at 30.6.2014 5 Carrying amount 11	Balance as at 30.6.2015	8
CostBalance as at 1.7.201315Additions11Written off(11)Balance as at 30.6.201415Accumulated depreciation12Balance as at 1.7.201312Depreciation for the financial year4Written off(11)Balance as at 30.6.20145	Carrying amount	
Balance as at 1.7.201315Additions11Written off(11)Balance as at 30.6.201415Accumulated depreciation12Balance as at 1.7.201312Depreciation for the financial year4Written off(11)Balance as at 30.6.20145Carrying amount		7
Additions11Written off(11)Balance as at 30.6.201415Accumulated depreciation12Balance as at 1.7.201312Depreciation for the financial year4Written off(11)Balance as at 30.6.20145Carrying amount11	Cost	
Written off(11)Balance as at 30.6.201415Accumulated depreciation12Balance as at 1.7.201312Depreciation for the financial year4Written off(11)Balance as at 30.6.20145Carrying amount	Balance as at 1.7.2013	15
Balance as at 30.6.2014 15 Accumulated depreciation 12 Balance as at 1.7.2013 12 Depreciation for the financial year 4 Written off (11) Balance as at 30.6.2014 5 Carrying amount 11	Additions	11
Accumulated depreciation Balance as at 1.7.2013 12 Depreciation for the financial year 4 Written off (11) Balance as at 30.6.2014 5 Carrying amount	Written off	(11)
Balance as at 1.7.2013 12 Depreciation for the financial year 4 Written off (11) Balance as at 30.6.2014 5 Carrying amount	Balance as at 30.6.2014	15
Depreciation for the financial year 4 Written off (11) Balance as at 30.6.2014 5 Carrying amount	Accumulated depreciation	
Written off (11) Balance as at 30.6.2014 5 Carrying amount 5	Balance as at 1.7.2013	12
Balance as at 30.6.2014 5 Carrying amount	Depreciation for the financial year	4
Carrying amount	Written off	(11)
	Balance as at 30.6.2014	5
Balance as at 30.6 2014 10	Carrying amount	
	Balance as at 30.6.2014	10

As at the end of the financial year, the Group's buildings amounted to RMB102,567,000 (2014: RMB43,962,000) were pledged for bank borrowings as set out in Note 21.

For the financial year ended 30 June 2015

12. Biological assets

Biological assets comprise eucalyptus trees, moso bamboo trees and bamboo shoots in plantations and synthetic logs. Eucalyptus trees and moso bamboo trees and bamboo shoots are separated from land on which these assets are located. Due to the uniqueness of the synthetic logs and as an active market does not exist for these synthetic logs, these have been stated at cost less accumulated amortisation and accumulated impairment losses. As the useful life of synthetic logs is less than one year, they are classified as current asset. Movements of the total value were as follows:

	Gro	oup
	2015 RMB'000	2014 RMB'000
Current		
Synthetic logs		
Cost		
Balance as at the beginning of the financial year	23,750	32,186
Additions	138,462	244,142
Utilisation	(155,354)	(252,578)
Balance as at the end of the financial year	6,858	23,750
Accumulated amortisation		
Balance as at the beginning of the financial year	_	_
Amortisation for the financial year	155,354	252,578
Utilisation	(155,354)	(252,578)
Balance as at the end of the financial year		
Corning amount		
Carrying amount Balance as at the end of the financial year	6,858	23,750
Data fee as at the end of the final loar year	0,000	20,700
Non-current		
Eucalyptus trees in plantations		
Fair value		
Balance as at the beginning of the financial year	120,876	153,995
Utilisation	(5,337)	(17,526)
Disposal	_	(3,663)
Loss from changes in fair value	(51,415)	(11,930)
Balance as at the end of the financial year	64,124	120,876
Moso bamboo trees and bamboo shoots in plantations		
Fair value		
Balance as at the beginning of the financial year	37,838	12,871
Gain from changes in fair value	69,623	24,967
Balance as at the end of the financial year	107,461	37,838
Carrying amount		
Balance as at the end of the financial year	171,585	158,714
-		

For the financial year ended 30 June 2015

12. Biological assets (Continued)

Quantity and sales of edible fungi, bamboo trees, bamboo shoots and eucalyptus trees harvested and sold to external customers during the financial year were as follows:

	2015	2014
Quantity of edible fungi (in tonnes)	33,890	57,180
Sales of edible fungi (RMB'000)	240,935	401,950
Quantity of bamboo trees and bamboo shoots (in tonnes)	55,770	16,000
Sales of bamboo trees and bamboo shoots (RMB'000)	74,353	13,052
Quantity of eucalyptus trees (in m ³) Sales of eucalyptus tree (RMB'000)		7,782 4,280

Recurring fair value measurement of the biological assets

Mature eucalyptus trees produce sawdust, which are used to produce synthetic logs. The fair value of the Group's biological assets as at 30 June 2015 and 2014 have been determined on the basis of valuations carried out at the respective year end dates by independent valuers having an appropriate recognised professional qualification and recent experience in the biological assets being valued. The fair value was determined based on income approach by using the present value of expected net cash flows from the eucalyptus trees and moso bamboo trees and bamboo shoots discounted at a current market-determined pre-tax rate. In estimating the fair value of the biological assets, the valuation conforms to International Valuation Standards and is based on the biological assets' highest and best use, disregard of their current use. There has been no change to the valuation technique during the financial year.

Details of the Group's biological assets and information about the fair value hierarchy at the end of the financial year are as follows:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Group				
As at 30 June 2015				
Eucalyptus trees	_	_	64,124	64,124
Moso bamboo trees and bamboo shoots			107,461	107,461
	_	_	171,585	171,585
As at 30 June 2014				
Eucalyptus trees	—	-	120,876	120,876
Moso bamboo trees and bamboo shoots			37,838	37,838
		_	158,714	158,714

During the financial year, there were no transfers between instruments in Level 1, Level 2 and Level 3.

For the financial year ended 30 June 2015

12. Biological assets (Continued)

Moso bamboo trees and bamboo shoots in plantations

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of moso bamboo trees and bamboo shoots in plantations, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below:

Valuation techniques used	Significant unobservable inputs	Range of not easily observed input factors	Inter-relationship between key unobservable inputs and fair value
Income approach	Estimated average number of moso bamboo	170-220 pieces/mu	The higher the average numbers of moso bamboo per mu, the higher the fair value.
	Estimated percentage of moso bamboo with qualified diameter at breast height ("DBH")	98%	The higher the estimated percentage of moso bamboo with qualified DBH, the higher the fair value.
	Estimated average weight of bamboo with 11cm DBH	30kg/piece	The higher the estimated average weight of bamboo with 11cm DBH, the higher the fair value.
	Estimated growth rate in cutting outsourcing cost	1%	The higher the growth rate in bamboo shoots cutting outsourcing cost, the lower the fair value.
	Estimated average annual merchantable volume for spring bamboo shoots (kg/mu)	172.31kg/mu to 217.26kg/mu	The higher the estimated average annual merchantable volume for spring bamboo shoots, the higher the fair value.
	Estimated average annual merchantable volume for winter bamboo shoots (kg/mu)	28.96kg/mu to 40.16kg/mu	The higher the estimated average annual merchantable volume for winter bamboo shoots, the higher the fair value.
	Estimated moso bamboo tree cutting outsourcing cost	RMB 98/mu	The higher the moso bamboo tree cutting outsourcing cost, the lower the fair value.
	Estimated spring bamboo shoot cutting outsourcing cost	RMB 60/mu	The higher the spring bamboo shoot cutting outsourcing cost, the lower the fair value.
	Estimated winter bamboo shoot cutting outsourcing cost	RMB 44/mu	The higher the winter bamboo shoot cutting outsourcing cost, the lower the fair value.
	Growth rate in bamboo shoots unit price	1%	The higher the growth rate in bamboo shoots unit price, the higher the fair value.
Discounted cash flow calculation	Discount rate	11.98%	The higher the discount rate, the lower the fair value.

For the financial year ended 30 June 2015

12. Biological assets (Continued)

Eucalyptus trees

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of eucalyptus trees, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below.

Valuation techniques used	Significant unobservable inputs	Range of not easily observed input factors	Inter-relationship between key unobservable inputs and fair value
Income approach	Expected eucalyptus cutting plan	1.5 years to 5.5 years	The longer the expected eucalyptus cutting plan, the lower the fair value.
	Cultivation cost on eucalyptus trees per mu	RMB100-150/mu	The higher the cultivation cost on eucalyptus trees, the lower the fair value.
	Transportation cost on eucalyptus trees	RMB80/100km/m^3	The higher the transportation cost on eucalyptus trees, the lower the fair value.
	Cutting cost on eucalyptus plantation	RMB100/m^3	The higher the cutting cost on eucalyptus plantation, the lower the fair value.
	Estimated growth rate in cutting and transportation cost	3%	The higher the growth rate in cutting and transportation cost, the lower the fair value.
	Expected eucalyptus reserve (m^3/mu)	6.7m ^{^3} to 17.3m ^{^3}	The higher the expected eucalyptus reserve, the higher the fair value.
	Estimated volume ratio for timber/log	75%	The higher the expected eucalyptus volume ratio, the higher the fair value.
	Estimated volume ratio for fuelwood	21%	The higher the estimated volume ratio for fuelwood, the lower the fair value.
	Growth rate in eucalyptus timber unit price	1%	The higher the growth rate in eucalyptus timber unit price, the higher the fair value.
Discounted cash flow calculation	Discount rate	14.98%	The higher the discount rate, the lower the fair value.

The eucalyptus trees and moso bamboo trees and bamboo shoots in plantations have not been insured against risks of fire, diseases and other possible risks.

For the financial year ended 30 June 2015

13. Land use rights

	Group		
	2015	2014	
	RMB'000	RMB'000	
Cost			
Balance as at the beginning of the financial year	107,076	106,941	
Additions	-	135	
Disposals	(80,280)	_	
Balance as at the end of the financial year	26,796	107,076	
Accumulated amortisation			
Balance as at the beginning of the financial year	8,972	6,200	
Amortisation for the financial year	1,601	2,772	
Disposals	(8,334)	_	
Balance as at the end of the financial year	2,239	8,972	
Carrying amount			
Balance as at the end of the financial year	24,557	98,104	

The Group has land use rights over the plots of state-owned land in PRC where the Group's PRC operations reside. The land use rights are not transferable and have remaining tenure ranging from 30.6 to 49.8 years (2014: 20.5 to 50.8 years).

As at the end of the financial year, the Group's land use rights amounted to RMB18,967,000 (2014: RMB19,380,000) were pledged for bank borrowings as set out in Note 21.

14. Investments in subsidiaries

	Company		
	2015 RMB'000	2014 RMB'000	
Unquoted investment, at cost	117,266	117,266	

For the financial year ended 30 June 2015

14. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows:

Name of subsidiary (Country of incorporation/ principal place of business)	Principal activities	by the C 2015	ovestment Company 2014 RMB'000	•	ctive interest 2014 %
Held by the Company:					
Wangcheng (PRC) ⁽¹⁾⁽²⁾	Production and sales of processed food products	103,053	103,053	100	100
Yuanwang (PRC) ⁽¹⁾⁽²⁾	Production and sales of semi- processed food products	14,213	14,213	100	100
Held by Wangcheng:					
Fengwang (PRC) ⁽¹⁾⁽³⁾	Cultivation and sales of edible fungi	_	_	100	100
Senwang (PRC) ⁽¹⁾⁽³⁾	Forestry management	_	_	100	100
Kangzhimei (PRC) ⁽⁵⁾	Sales of primary agricultural products	_	_	100	100
Feng Zhi Qiu International Holdings Company Limited ("Feng Zhi Qiu") (Hong Kong Special Administrative Region, PRC) ⁽⁵⁾	Sales of processed food products	_	_	100	100
<u>Held by Yuanwang:</u> Lijiashan (PRC) ⁽¹⁾⁽⁴⁾	Forestry management, cultivation and sales of edible fungi and vegetables	_	_	100	100
<u>Held by Lijiashan:</u>					
Shansheng (PRC)(1)	Forestry management, cultivation and sales of edible fungi and vegetables	-	_	100	_
		117,266	117,266		

(1) Audited for consolidation purpose by BDO China Shu Lun Pan CPA LLP, a member firm of BDO International Limited.

(2) The statutory financial statements for the financial year ended 31 December 2014 prepared in accordance with the generally accepted accounting principles in the PRC, were audited by 福建华成会计师事务所有限公司 (Fujian Huacheng Certified Public Accountants Co., Ltd) for tax filing and annual registration.

- (3) The statutory financial statements for the financial year ended 31 December 2014 prepared in accordance with generally accepted accounting principles in the PRC, were audited by 厦门楚瀚会计师事务所有限公司 (Xiamen Truehand Certified Public Accountants Limited) for tax filling and annual registration.
- (4) The statutory financial statements for the financial year ended 31 December 2014 prepared in accordance with generally accepted accounting principles in the PRC, were audited by 福建和益有限责任会计师事务所有限公司 (Fujian He Yi Certified Public Accountants Limited) for tax filling and annual registration.
- (5) The subsidiaries were not considered as significant subsidiaries under Rule 718 of the Listing Manual.

Incorporation of subsidiary

On 22 July 2014, the Company's wholly-owned subsidiary, Nanping Lijiashan Forestry Co., Ltd incorporated a wholly-owned subsidiary, Sanming Shansheng Forestry Co., Ltd. in PRC, with an issued and paid-up share capital of RMB1,000,000.

For the financial year ended 30 June 2015

15. Prepayments

	Group		Com	pany		
	2015 2014					2014
	RMB'000	RMB'000	RMB'000	RMB'000		
Prepaid lease of mushroom farmlands, eucalyptus plantations, and bamboo						
plantations	385,289	149,044	-	_		
Prepaid maintenance cost	12,510	7,531	_	_		
Prepaid other operating expenses	3,483	23,370	478	9		
Less: current portion (Note 18)	(58,038)	(41,200)	(478)	(9)		
Non-current portion	343,244	138,745				

Prepaid lease represents amounts paid by the Group for advance lease of mushroom farmlands, eucalyptus plantations and bamboo plantations for remaining period of 8 to 9 (2014: 8 to 12) years, 9 to 10 (2014: nil) years and 8 to 10 (2014: 9 to 10) years respectively. The Group's prepaid lease of mushroom farmlands, eucalyptus plantations and bamboo plantations have gross land area measuring approximately 1,184 mu (2014: 5,134 mu), 38,334 mu (2014: nil) and 115,992 mu (2014: 33,845 mu) respectively.

Prepaid maintenance cost represents amounts paid by the Group for advance maintenance cost of eucalyptus plantations and bamboo plantations for a period of 1 (2014: 1 to 2) year.

16. Deferred tax assets/(liabilities)

Deferred tax liabilities

	Group		
	2015 RMB'000	2014 RMB'000	
Balance as at beginning and end of the financial year	3,711	3,711	

Deferred tax liability recognised as at 30 June 2015 relates to the aggregate amount of temporary differences associated with undistributed earnings of certain subsidiaries for which is estimated by the management to be distributed in the future.

As at 30 June 2015, the deferred tax liabilities on the withholding and other taxation that would be payable on the unremitted earnings of certain subsidiaries in the PRC amounting to RMB604,133,000 (2014: RMB508,082,000) have not been recognised as the Group is in a position to control the dividend policies of these subsidiaries and it is probable that these earnings will not be distributed in the foreseeable future.

Deferred tax assets

	Group		
	2015 2014		
	RMB'000	RMB'000	
Balance as at the beginning of the financial year	1,918	1,847	
Credited to profit or loss (Note 9)	87	71	
Balance as at the end of the financial year	2,005	1,918	

Deferred tax assets represents accrued expenses of the subsidiaries.

For the financial year ended 30 June 2015

17. Inventories

	Gro	oup
	2015	2014
	RMB'000	RMB'000
Raw materials	8,447	7,637
Finished goods	7,702	5,218
Packing materials	275	816
	16,424	13,671

18. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	16,312	16,580	_	_
Other receivables				
- third parties	38,919	35,372	17	17
- a subsidiary	_	_	107,559	83,074
- a related party	_	21	_	_
- VAT receivables	647	788	_	_
Advances to suppliers	53,780	152,630	_	_
Deposit for investment	_	20,000	_	_
Current portion of prepayments (Note 15)	58,038	41,200	478	9
Total trade and other receivables	167,696	266,591	108,054	83,100
Add: Cash and bank balances	27,440	21,591	4,501	3,403
Less: Advances to suppliers	(53,780)	(152,630)	_	_
Less: VAT receivables	(647)	(788)	_	_
Less: Prepayments	(58,038)	(41,200)	(478)	(9)
Total loans and receivables	82,671	93,564	112,077	86,494

Trade receivables are non-interest bearing and generally on 30 to 90 (2014: 30 to 90) days' credit term.

The non-trade amount due from a subsidiary and related party are unsecured, non-interest bearing and repayable on demand.

Advances to suppliers relate to advance payments to villages' committees for the purchase of synthetic logs and advance payments for the purchase of raw materials for processed food.

For the financial year ended 30 June 2015

18. Trade and other receivables (Continued)

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Chinese renminbi	99,481	213,403	107,559	83,074
Japanese yen	745	1,068	_	_
Singapore dollar	17	17	17	17
United States dollar	9,415	10,903	_	_
	109,658	225,391	107,576	83,091

19. Cash and bank balances

Cash and bank balances are denominated in the following currencies:

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Chinese renminbi	22,881	17,834	49	49
Hong Kong dollar	81	_	_	_
Singapore dollar	4,111	3,013	4,111	3,013
United States dollar	367	744	341	341
	27,440	21,591	4,501	3,403

20. Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	2,591	1,690	_	_
Other payables	10,457	9,920	_	_
Advances from customers	100	7,418	_	_
Accrued expenses	3,055	2,947	977	921
Total trade and other payables	16,203	21,975	977	921
Less: Advances from customers	(100)	(7,418)	_	_
Add: Bank borrowings (Note 21)	42,000	30,000	_	_
Total other financial liabilities at amortised cost	58,103	44,557	977	921

For the financial year ended 30 June 2015

20. Trade and other payables (Continued)

Trade payables are non-interest bearing and are normally settled between 30 to 90 (2014: 30 to 90) days.

Other payables comprise mainly outstanding payment to the contractors and social insurances.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2015 20	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Chinese renminbi	15,126	13,866	_	230
Singapore dollar	977	691	977	691
	16,103	14,557	977	921

21. Bank borrowings

	Group		
	2015 2014		
	RMB'000	RMB'000	
Secured bank loans			
Bank loans	42,000	30,000	

The Group's bank loans are secured by:

(i) legal charges on the Group's buildings (Note 11) and land use rights (Note 13);

(ii) personal guarantee from the Chief Executive Officer of the Group.

The average effective borrowing rates range from 7.1% to 7.8% (2014: 7.2% to 7.8%) per annum and have maturity dates between 25 November 2015 and 28 June 2016 (2014: 1 September 2014 and 28 November 2014).

Management estimates that the carrying amounts of the Group's borrowings approximate their fair values due to frequent re-pricing.

Bank borrowings are denominated in Chinese renminbi.

22. Share capital

	Group and Company	
	2015 RMB'000	2014 RMB'000
Issued and fully-paid		
502,202,175 (2014: 498,452,175) ordinary shares as at the beginning of the financial year	190,471	186,092
Issuance of 35,000,000 (2014: Nil) ordinary shares under placement shares, net of transaction cost	27,640	_
Issuance of 3,465,000 (2014: 3,750,000) ordinary shares under the Yamada Green Resources Performance Share Plan	2,979	4,379
540,667,175 (2014: 502,202,175) ordinary shares as at the end of the financial year	221,090	190,471

For the financial year ended 30 June 2015

22. Share capital (Continued)

The issued and paid up capital of S\$44,465,080 (2014: S\$38,246,574) is equivalent to approximately RMB221,090,000 (2014: RMB190,471,000).

The Company has one class of ordinary shares which carry no right to fixed income.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

On 18 August 2014, the Company issued 35,000,000 ordinary shares under placement share for a consideration of RMB27,865,000 (equivalent to \$\$5,664,750), less transaction costs of RMB225,000 (equivalent to \$\$45,689).

During the financial year, the Company issued 3,465,000 (2014: 3,750,000) ordinary shares at RMB0.86 (2014: RMB1.17) per share under the Yamada Green Resources Performance Share Plan as satisfaction of the performance shares vested on 30 June 2014 as disclosed in Note 23 to the financial statements for a consideration of RMB2,979,000 (equivalent to \$\$599,445).

23. Share-based payment reserve

This share-based payment reserve comprises the following:

- ordinary shares transferred by Sanwang International Holdings Limited ("Sanwang"), former ultimate holding company, to a key management personnel in accordance to the employment agreement with the Company; and
- (ii) the Company had adopted a share incentive scheme, Yamada Green Resources Share Option Scheme (the "Scheme") and a performance incentive scheme, Yamada Green Resources Performance Share Plan (the "Plan") on 29 April 2011. Under the Plan, the Company had made an offer on the grant of share awards (the "Offer") on 29 December 2011.

Equity-settled performance shares granted to eligible group employees and group executive directors. Awards of performance shares are granted conditional that certain prescribed performance targets are satisfied within a prescribed performance period. The performance period in which the performance targets are to be met is the period from 1 July 2011 to 30 June 2014. A specified number of performance shares shall be released to the participants over three years from the date of grant to 31 December 2014. The participants should be with the Group for at least 12 months as at the date of granting the performance shares to receive the performance shares. The entitlement will be forfeited if the participant leaves the Group during the vesting period. The Offer expired on 31 December 2014.

Details of the performance shares outstanding during the financial year are as follows:

	Group and Company	
	2015 201	
	('000)	('000)
Outstanding at the beginning of the financial year	_	7,830
Vested during the year	_	(3,465)
Forfeited during the year	_	(4,365)
Outstanding at the end of the financial year		_

The fair value of the performance shares was measured at the weighted average quoted market price at the date the shares vest. The amount was recognised as share-based payment expenses in "administrative expenses" line item of profit or loss.

For the financial year ended 30 June 2015

24. Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in PRC, the subsidiaries are required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiaries' registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The SRF is not available for dividend distribution to shareholders.

	Group		
	2015 2014		
	RMB'000	RMB'000	
Balance as at the beginning of the financial year	59,306	55,141	
Transferred from accumulated profits	6,032	4,165	
Balance as at the end of the financial year	65,338	59,306	

25. Dividends

	Group and Company	
	2015 RMB'000	2014 RMB'000
First and final tax-exempt dividend of RMB0.012 (2014: RMB0.013) per ordinary share in respect of the financial year ended 30 June 2014		
(2014: 30 June 2013)	6,410	6,463

The Board of Directors of the Company recommend a first and final tax-exempt dividend of approximately RMB0.009 per ordinary share amounting to RMB4,866,000 to be paid in respect of the financial year ended 30 June 2015. Pursuant to the announcement dated 15 September 2015 on the results of the Right Issue (see Note 32.2 to the financial statements for details), all 270,333,587 right shares were allotted and issued by the Company on 18 September 2015. These right shares rank pari passu in all respects with the then existing shares for any dividends, rights, allotments or other distributions which fall on or after the date of issues of right shares. As a result of this right issue, the final tax-exempt dividend will be approximately RMB0.006 per ordinary share.

This final dividend has not been recognised as a liability as at the end of the financial year as it is subject to approval at the Annual General Meeting of the Company.

26. Commitments

26.1 Capital commitments

Capital expenditure contracted for at the end of the financial year but not recognised in the financial statements are as follows:

	Group		
	2015 2014		
	RMB'000	RMB'000	
Acquisition of property, plant and equipment	11,385	26,765	
Purchase of synthetic logs	11,400	26,000	
Acquisition of investment		16,405	

For the financial year ended 30 June 2015

26. Commitments (Continued)

26.2 Operating lease commitments

As at the end of the financial year, commitments in respect of unpaid non-cancellable operating leases are as follows:

	Gro	Group		
	2015 RMB'000	2014 RMB'000		
Not later than one year	21,276	20		
Later than one year and not later than five years	4	24		
Later than five years	23,332	34,496		
	44,612	34,540		

The non-cancellable operating lease commitments relate to the following:

- The operating lease commitment of mushroom farmlands, eucalyptus plantations and bamboo plantations exclude the advance lease prepaid as disclosed in Note 15 to the financial statements.
- Lease of office premises and warehouse by the Group for a period of 1 to 2 (2014: 1 to 2) years.
- Maintenance cost of the eucalyptus plantations and bamboo plantations for a period of 1 (2014: 1 to 2) year which has been fully prepaid as disclosed in Note 15 to the financial statements.

27. Significant related party transactions

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions apply:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint venture of the same third party.
 - (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.

For the financial year ended 30 June 2015

27. Significant related party transactions (Continued)

A related party is defined as follows:

- (b) An entity is related to the Group and the Company if any of the following conditions apply:
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Key management personnel remuneration

The remuneration of Directors and other key management personnel of the Group and of the Company during the financial year were as follows:

	Group		Com	pany
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Directors' fee	841	939	841	939
Short-term benefits	2,073	1,789	833	596
Post-employment benefits	189	224	52	25
Share-based payment expenses	_	2,979	_	224
	3,103	5,931	1,726	1,784
Analysed into:				
Directors of the Company	1,598	1,551	1,124	1,201
Directors of the subsidiaries	254	539	_	_
Other key management personnel	1,251	3,841	602	583
	3,103	5,931	1,726	1,784

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions during the financial year between the Group entities and Company and related parties:

	Company		
	2015 2014		
	RMB'000	RMB'000	
With a related party			
Settlement of disbursement on behalf of a related party	_	21	
With a subsidiary			
Advances to a subsidiary	15,002	_	
Dividend income from a subsidiary	10,500	15,350	
Settlement of disbursement on behalf of a subsidiary	1,019		

For the financial year ended 30 June 2015

28. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker.

A segment is a distinguishable component of the Group that is engaged with either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of respective entities within the Group.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense.

There is no change from the prior periods in the measurement methods used to determine reported segment profit or loss.

Segment results, assets and liabilities include items directly attributable to segments as well as those that can be allocated on a reasonable basis.

Segment assets consist primarily of property, plant and equipment, biological assets, land use rights, deferred tax assets, inventories, receivables, prepayments and cash and bank balances.

Segment liabilities comprise operating liabilities, current income tax payable and deferred tax liabilities.

Segment capital expenditure is the total costs incurred during the financial year to acquire segment assets that are expected to be used for more than one financial year.

28.1 Business segments

The Group is organised into the following business segments namely:

Self-cultivated edible fungi and moso bamboos

The self-cultivated edible fungi segment comprises the shiitake mushroom cultivated at the Group's cultivation bases.

The self-cultivated moso bamboos comprises the spring bamboo shoots, winter bamboo shoots and bamboo trees.

The eucalyptus trees comprises the excess harvested eucalyptus trees which are not in use as synthetic logs for production of edible fungi.

Processed food products

The processed food products segment comprises processed vegetable products and dietary fibre food products (including konjac-based processed food products).

Corporate

Corporate comprises the Company, which principal activity is that of investment holding company.

For the financial year ended 30 June 2015

28. Segment information (Continued)

28.1 Business segments (Continued)

The following is an analysis of the Group's revenue and results by reportable segments:

	Self- cultivated edible fungi and moso bamboos RMB'000	Processed food products RMB'000	Corporate RMB'000	Elimination RMB'000	Total RMB'000
Group					
2015					
Revenue					
Sales to external customers	315,288	188,648	_	_	503,936
Inter-segment revenues	5,224	9,644	_	(14,868)	_
Total revenue	320,512	198,292		(14,868)	503,936
Segment results	67,227	55,141	_	_	122,368
Interest income	18	35	6	_	59
Other income	_	7,601	_	_	7,601
Selling and distribution expenses	(3,426)	(2,694)	_	_	(6,120)
Administrative expenses	(20,875)	(13,453)	(3,999)	_	(38,327)
Other expenses	(5,020)	(241)	(526)	_	(5,787)
Gain from changes in	(0,020)	(= · ·)	(020)		(0). 01)
fair value of biological assets	18,208	_	_	_	18,208
Finance cost	_	(2,045)	_	_	(2,045)
Profit/(loss) before income tax	56,132	44,344	(4,519)		95,957
Income tax expense	_	(9,203)	(525)	_	(9,728)
Profit/(loss) for the financial year	56,132	35,141	(5,044)		86,229
Other compart items					
Other segment items Additions to biological assets	138,462	_	_	_	138,462
Capital expenditure	100,402	_	_	—	130,402
- property, plant and					
equipment	7,208	80,583	_	_	87,791
Depreciation and amortisation	198,276	4,810	3	_	203,089
Segment assets	644,703	289,637	5,003		939,343
Segment liabilities	2,012	58,605	5,213		65,830

For the financial year ended 30 June 2015

28. Segment information (Continued)

28.1 Business segments (Continued)

Group 2014 Group Revenue Sales to external customers 419,282 192,140 - - 611,422 Inter-segment revenues 11,592 - - (11,592) 611,422 Segment results 85,069 61,799 - - 146,868 Interest income 38 43 3 - 84 Other income - 3,027 37 - 3,064 Selling and distribution expenses (3,110) (2,955) - - (6,065) Administrative expenses (10,282) (433) - - (10,715) Gain from changes in fair value of biological assets 13,037 - - (10,715) Gain from changes in fair value of biological assets 13,037 - - (11,610) Profit/(loss) before income tax 76,358 46,879 (7,276) - 115,961 Income tax expense - (11,773) (11,598) - (13,371) Profit/(loss) before income tax <t< th=""><th></th><th>Self- cultivated edible fungi and moso bamboos RMB'000</th><th>Processed food products RMB'000</th><th>Corporate RMB'000</th><th>Elimination RMB'000</th><th>Total RMB'000</th></t<>		Self- cultivated edible fungi and moso bamboos RMB'000	Processed food products RMB'000	Corporate RMB'000	Elimination RMB'000	Total RMB'000
Revenue 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 Segment results 85,069 61,799 - - 146,868 Interest income 38 43 3 - 84 Other income - 3,027 37 - 3,064 Selling and distribution expenses (3,110) (2,955) - - (6,065) Administrative expenses (10,282) (433) - - (10,715) Gain from changes in fair value of biological assets 13,037 - - 13,037 Finance cost - (1,610) - - (16,10) Profit/(loss) before income tax 76,358 46,879 (7,276) - 115,961 Income tax expense - (11,773) (1,598) - <td>Group</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Group					
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 Segment results 85,069 61,799 - - 146,868 Interest income 38 43 3 - 84 Other income - 3,027 37 - 3,064 Selling and distribution expenses (3,110) (2,955) - - (6,065) Administrative expenses (10,282) (433) - - (10,715) Gain from changes in fair value of biological assets 13,037 - - 13,037 Finance cost - (11,773) (1,598) - (13,371) Profit/(loss) before income tax 76,358 46,879 (7,276) - 102,590 Income tax expense - (11,773) (1,598) - (13,371) Profit/(loss) for the financial year 244,142	2014					
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	Revenue					
Total revenue $430,874$ $192,140$ -(11,592) $611,422$ Segment results $85,069$ $61,799$ 146,868Interest income 38 43 3 -84Other income- $3,027$ 37 - $3,064$ Selling and distribution $3,027$ 37 - $66,065$ Administrative expenses $(3,110)$ $(2,955)$ $(6,065)$ Administrative expenses $(10,282)$ (433) $(10,715)$ Gain from changes in fair value of biological assets $13,037$ $13,037$ Finance cost-(1,610)(1,610)Profit/(loss) before income tax $76,358$ $46,879$ $(7,276)$ - $115,961$ Income tax expense-(11,773)(1,598)-(12,371)Profit/(loss) for the financial year $76,358$ $35,106$ $(8,874)$ - $102,590$ Other segment items- $335,106$ $(8,874)$ - $102,590$ Additions to biological assets $244,142$ $244,142$ Capital expenditure- 135 135 135 135 135 135 Depreciation and amortisation $277,822$ $3,829$ 4 - $281,655$ Segment assets $538,916$ $285,929$ 3	Sales to external customers	419,282	192,140	_	_	611,422
Segment results $85,069$ $61,799$ 146,868Interest income 38 43 3 - 84 Other income- $3,027$ 37 - $3,064$ Selling and distributionexpenses $(3,110)$ $(2,955)$ (6,065)Administrative expenses $(8,394)$ $(12,992)$ $(7,316)$ - $(28,702)$ Other expenses $(10,282)$ (433) $(10,715)$ Gain from changes in fair value of biological assets $13,037$ $(1,610)$ Profit/(loss) before income tax $76,358$ $46,879$ $(7,276)$ - $(13,371)$ Profit/(loss) before income tax $76,358$ $35,106$ $(8,874)$ - $102,590$ Other segment itemsAdditions to biological assets $244,142$ $244,142$ Capital expenditure- 135 - 135 - property, plant and equipment $1,211$ $57,172$ 11 - $58,394$ - land use rights- 135 - 135 Depreciation and amortisation $277,822$ $3,829$ 4 - $281,655$ Segment assets $538,916$ $285,929$ $3,438$ - $828,283$	Inter-segment revenues	11,592			(11,592)	
Interest income 38 43 3 - 84 Other income - 3,027 37 - 3,064 Selling and distribution expenses (3,110) (2,955) - - (6,065) Administrative expenses (8,394) (12,992) (7,316) - (28,702) Other expenses (10,282) (433) - - (10,715) Gain from changes in - (1,610) - - (1,610) Profit/(loss) before income tax 76,358 46,879 (7,276) - 115,961 Income tax expense - (11,773) (1,598) - (13,371) Profit/(loss) for the 76,358 35,106 (8,874) - 102,590 Other segment items - - - 244,142 - - - 244,142 Capital expenditure - - 102,590 - 135 - 135 - property, plant and - 135 - - 135 - 135 - land use rights	Total revenue	430,874	192,140		(11,592)	611,422
Interest income 38 43 3 - 84 Other income - 3,027 37 - 3,064 Selling and distribution expenses (3,110) (2,955) - - (6,065) Administrative expenses (8,394) (12,992) (7,316) - (28,702) Other expenses (10,282) (433) - - (10,715) Gain from changes in - (1,610) - - (1,610) Profit/(loss) before income tax 76,358 46,879 (7,276) - 115,961 Income tax expense - (11,773) (1,598) - (13,371) Profit/(loss) for the 76,358 35,106 (8,874) - 102,590 Other segment items - - - 244,142 - - - 244,142 Capital expenditure - - 102,590 - 135 - 135 - property, plant and - 135 - - 135 - 135 - land use rights	Segment results	85,069	61,799	_	_	146,868
Selling and distribution expenses(3,110) $(2,955)$ $ -$ (6,065)Administrative expenses $(8,394)$ $(12,992)$ $(7,316)$ $ (28,702)$ Other expenses $(10,282)$ (433) $ (10,715)$ Gain from changes in fair value of biological assets $13,037$ $ 13,037$ Finance cost $ (1,610)$ $ (1,610)$ Profit/(loss) before income tax $76,358$ $46,879$ $(7,276)$ $ 115,961$ Income tax expense $ (11,773)$ $(1,598)$ $ (13,371)$ Profit/(loss) for the financial year $76,358$ $35,106$ $(8,874)$ $ 102,590$ Other segment itemsAdditions to biological assets $244,142$ $ 244,142$ Capital expenditure $ 135$ $ 135$ $-$ property, plant and equipment $1,211$ $57,172$ 111 $ 58,394$ $-$ land use rights $ 135$ $ 135$ Depreciation and amortisation $277,822$ $3,829$ 4 $ 281,655$ Segment assets $538,916$ $285,929$ $3,438$ $ 828,283$	-		43	3	_	84
expenses $(3,110)$ $(2,955)$ (6,065)Administrative expenses $(8,394)$ $(12,992)$ $(7,316)$ - $(28,702)$ Other expenses $(10,282)$ (433) $(10,715)$ Gain from changes in fair value of biological assets $13,037$ finance cost- $(1,610)$ $(1,610)$ Profit/(loss) before income tax $76,358$ $46,879$ $(7,276)$ - $115,961$ Income tax expense- $(11,773)$ $(1,598)$ - $(13,371)$ Profit/(loss) for the financial year $76,358$ $35,106$ $(8,874)$ - $102,590$ Other segment itemsAdditions to biological assets $244,142$ 244,142Capital expenditure- 135 - 135 -135- property, plant and equipment1,211 $57,172$ 11 - $58,394$ - land use rights- 135 135 Depreciation and amortisation $277,822$ $3,829$ 4 - $281,655$ Segment assets $538,916$ $285,929$ $3,438$ - $828,283$	Other income	_	3,027	37	_	3,064
Administrative expenses $(8,394)$ $(12,992)$ $(7,316)$ - $(28,702)$ Other expenses $(10,282)$ (433) $(10,715)$ Gain from changes in fair value of biological assets $13,037$ $(10,715)$ Finance cost- $(1,610)$ $(1,610)$ Profit/(loss) before income tax $76,358$ $46,879$ $(7,276)$ - $115,961$ Income tax expense- $(11,773)$ $(1,598)$ - $(13,371)$ Profit/(loss) for the financial year $76,358$ $35,106$ $(8,874)$ - $102,590$ Other segment itemsAdditions to biological assets $244,142$ 244,142Capital expenditure- 135 -135 property, plant and equipment $1,211$ $57,172$ 11 - $58,394$ - land use rights- 135 $281,655$ Segment assets $538,916$ $285,929$ $3,438$ - $828,283$	0	(3,110)	(2,955)	_	_	(6,065)
Other expenses $(10,282)$ (433) $ (10,715)$ Gain from changes in fair value of biological assets $13,037$ $ 13,037$ Finance cost $ (1,610)$ $ (1,610)$ Profit/(loss) before income tax $76,358$ $46,879$ $(7,276)$ $ 115,961$ Income tax expense $ (11,773)$ $(1,598)$ $ (13,371)$ Profit/(loss) for the financial year $76,358$ $35,106$ $(8,874)$ $ 102,590$ Other segment itemsAdditions to biological assets $244,142$ $ 244,142$ Capital expenditure $ 135$ $ 135$ - $ 135$ $ 135$ Depreciation and amortisation $277,822$ $3,829$ 4 $ 281,655$ Segment assets $538,916$ $285,929$ $3,438$ $ 828,283$	Administrative expenses	,	, , ,	(7,316)	_	
fair value of biological assets $13,037$ 13,037Finance cost-(1,610)(1,610)Profit/(loss) before income tax $76,358$ $46,879$ $(7,276)$ - $115,961$ Income tax expense-(11,773)(1,598)-(13,371)Profit/(loss) for the financial year $76,358$ $35,106$ $(8,874)$ - $102,590$ Other segment itemsAdditions to biological assets $244,142$ 244,142Capital expenditure- 135 135 135 135 Depreciation and amortisation $277,822$ $3,829$ 4 - $281,655$ Segment assets $538,916$ $285,929$ $3,438$ - $828,283$	Other expenses			_	_	(10,715)
Profit/(loss) before income tax 76,358 46,879 (7,276) - 115,961 Income tax expense - (11,773) (1,598) - (13,371) Profit/(loss) for the financial year 76,358 35,106 (8,874) - 102,590 Other segment items Additions to biological assets 244,142 - - - 244,142 Capital expenditure - - 135 - - 244,142 - property, plant and equipment 1,211 57,172 11 - 58,394 - land use rights - 135 - - 135 Depreciation and amortisation 277,822 3,829 4 - 281,655 Segment assets 538,916 285,929 3,438 - 828,283		13,037	_	_	_	13,037
Income tax expense - (11,773) (1,598) - (13,371) Profit/(loss) for the financial year 76,358 35,106 (8,874) - 102,590 Other segment items Additions to biological assets 244,142 - - - 244,142 Capital expenditure - - - 244,142 - - - 244,142 - property, plant and equipment 1,211 57,172 11 - 58,394 - land use rights - 135 - - 135 Depreciation and amortisation 277,822 3,829 4 - 281,655 Segment assets 538,916 285,929 3,438 - 828,283	Finance cost	_	(1,610)	_	_	(1,610)
Profit/(loss) for the financial year 76,358 35,106 (8,874) - 102,590 Other segment items Additions to biological assets 244,142 - - - 244,142 Capital expenditure - 1,211 57,172 11 - 58,394 - Ind use rights - 135 - - 135 Depreciation and amortisation 277,822 3,829 4 - 281,655 Segment assets 538,916 285,929 3,438 - 828,283	Profit/(loss) before income tax	76,358	46,879	(7,276)		115,961
financial year 76,358 35,106 (8,874) - 102,590 Other segment items Additions to biological assets 244,142 - - - 244,142 Capital expenditure - 1,211 57,172 11 - 58,394 - land use rights - 135 - - 135 - 135 Depreciation and amortisation 277,822 3,829 4 - 281,655 Segment assets 538,916 285,929 3,438 - 828,283	Income tax expense	_	(11,773)	(1,598)	_	(13,371)
Additions to biological assets 244,142 - - - 244,142 Capital expenditure - - - 244,142 - property, plant and equipment 1,211 57,172 11 - 58,394 - land use rights - 135 - - 135 Depreciation and amortisation 277,822 3,829 4 - 281,655 Segment assets 538,916 285,929 3,438 - 828,283		76,358	35,106	(8,874)		102,590
Additions to biological assets 244,142 - - - 244,142 Capital expenditure - - - 244,142 - property, plant and equipment 1,211 57,172 11 - 58,394 - land use rights - 135 - - 135 Depreciation and amortisation 277,822 3,829 4 - 281,655 Segment assets 538,916 285,929 3,438 - 828,283	Other segment items					
- property, plant and equipment 1,211 57,172 11 - 58,394 - land use rights - 135 - - 135 Depreciation and amortisation 277,822 3,829 4 - 281,655 Segment assets 538,916 285,929 3,438 - 828,283	Additions to biological assets	244,142	_	_	_	244,142
equipment 1,211 57,172 11 - 58,394 - land use rights - 135 - - 135 Depreciation and amortisation 277,822 3,829 4 - 281,655 Segment assets 538,916 285,929 3,438 - 828,283						
- land use rights - 135 - - 135 Depreciation and amortisation 277,822 3,829 4 - 281,655 Segment assets 538,916 285,929 3,438 - 828,283		1,211	57,172	11	_	58.394
Depreciation and amortisation 277,822 3,829 4 - 281,655 Segment assets 538,916 285,929 3,438 - 828,283				_	_	
Segment assets 538,916 285,929 3,438 - 828,283	•	277,822		4	_	
				3,438		
	Segment liabilities		55,760	5,399		62,229

For the financial year ended 30 June 2015

28. Segment information (Continued)

28.2 Geographical information

The Group's business segments operate in two main geographical areas. Sales revenue is based on the country in which goods are delivered and services are provided. Non-current assets consisting of property, plant and equipment, biological assets, land use rights and prepayments are shown by the geographical area in which the assets are located.

	Group		
	2015	2014	
	RMB'000	RMB'000	
Sales to external customers			
China (domicile)	371,166	489,784	
Japan	132,770	121,638	
-	503,936	611,422	
Non-current assets			
China (domicile)	718,850	499,921	
Singapore	7	10	
	718,857	499,931	

28.3 Major customer

The revenue from one customer of the Group's processed food products segment amounted to approximately RMB71,770,000 (2014: RMB63,887,000).

29. Financial instruments and financial risks

The Group's activities expose it to credit risks, market risks (including foreign currency risks, interest rate risks and price risks) and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

29.1 Credit risks

Credit risks refer to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for one (2014: one) trade receivable from third party amounting to approximately 44% (2014: 44%) of total trade receivables as at the end of the financial year.

For the financial year ended 30 June 2015

29. Financial instruments and financial risks (Continued)

29.1 Credit risks (Continued)

The Company does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the amount owing from a subsidiary.

As the Group and the Company do not hold any collateral, at the respective end of financial year, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the statements of financial position.

The Group's trade and other receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group. As at 30 June 2015 and 2014, there are no trade receivables that are past due.

As at 30 June 2015 and 2014, substantially all the bank balances as detailed in Note 19 to the financial statements, are held in major financial institutions which are regulated and located in Singapore and PRC, which the management believes are of high credit quality. The management does not expect any losses arising from non-performance by these counterparties.

29.2 Market risks

Foreign currency risk

Currency risk arises from transactions denominated in currencies other than the respective functional currency of the Group entities. The currencies that give rise to this risk are primarily Hong Kong dollar, Japanese yen, Singapore dollar and the United States dollar.

The Company and its subsidiaries maintain their respective books and accounts in their functional currency. As a result, the Group is subject to transaction exposures resulting from currency exchange rate fluctuations. However, to minimise such foreign currency exposures, the Group uses natural hedges between sales receipts and purchases, and operating expenses disbursement.

At the end of the financial year, the carrying amount of monetary assets and liabilities denominated in currencies other than the functional currency of the entities within the Group are as follows:

		Group			
	Monetar	Monetary assets		liabilities	
	2015	2015 2014		2014	
	RMB'000	RMB'000	RMB'000	RMB'000	
Hong Kong dollar	81	_	_	_	
Japanese yen	745	1,068	_	_	
Singapore dollar	4,128	3,030	977	691	
United States dollar	9,782	11,647			

For the financial year ended 30 June 2015

29. Financial instruments and financial risks (Continued)

29.2 Market risks (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis

The Group is mainly exposed to Hong Kong dollar ("HKD"), Japanese yen ("JPY"), Singapore dollar ("SGD") and the United States dollar ("USD").

The following table details the sensitivity of a 5% (2014: 5%) change in the relevant foreign currencies against the functional currency of the entities within the Group. The sensitivity analysis assumes an instantaneous 5% (2014: 5%) change in the foreign currency exchange rates from the end of the financial year, with all variables held constant. The results of the model are also constrained by the fact of only monetary items, which are denominated in HKD, JPY, SGD and USD are included in the analysis.

	Increase/	oup (decrease) re income tax
	2015 RMB'000	2014 RMB'000
HKD against RMB - strengthen - weaken	4 (4)	
JPY against RMB - strengthen - weaken	37 (37)	53 (53)
SGD against RMB - strengthen - weaken	158 (158)	117 (117)
USD against RMB - strengthen - weaken	489 (489)	582 (582)

Interest rate risk

Interest rate risk is the risk (variability in value) borne by an interest-bearing instruments, such as deposits in banks and bank borrowings, due to variability of interest rates.

The Group's exposure to changes in interest rates relates primarily to deposits in banks and bank borrowings.

The impact of the Group's exposure to changes in interest rate is not expected to be material.

Price risk

The Group's exposure to price risk arises from changes in bamboo and mushroom prices. The Group does not anticipate that bamboo and mushroom prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in bamboo and mushrooms prices. The Group reviews its outlook of bamboo and mushroom prices regularly in considering the need for active financial risk management.

For the financial year ended 30 June 2015

29. Financial instruments and financial risks (Continued)

29.3 Liquidity risks

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group actively manages its operating cash flows so as to finance the Group's operations. As part of overall prudent liquidity management, the Group maintains sufficient level of cash to meet working capital requirements.

The following table details the Group's contractual maturity analysis for its non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments at the earlier of the contractual date and when the Group is expected to pay.

	Effective interest rate %	Less than 1 year RMB'000
The Group		
Financial liabilities 2015		
Trade and other payables (excluding advances from customers)	N.A	16,103
Bank borrowings	7.1% - 7.8%	43,532
		59,635
2014		
Trade and other payables (excluding advances from customers)	N.A	14,557
Bank borrowings	7.2% - 7.8%	30,579
		45,136
The Company <u>Financial liabilities</u> 2015		
Accrued expenses	N.A	977
2014		
Accrued expenses	N.A	921

The Group's operations are financed mainly through share capital, reserves and accumulated profits.

30. Fair values of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 Inputs other than quoted prices included within Level 1 that are determined using the other observable inputs such as quoted prices for similar asset/liability in active markets, quoted prices for identical or similar asset/liability in non-active markets or inputs other than quoted prices that are observable for the asset or liability;
- Level 3 Unobservable inputs for the asset or liability.

For the financial year ended 30 June 2015

30. Fair values of assets and liabilities (Continued)

(b) The carrying amount of the financial assets and financial liabilities approximate their respective fair values due to the relative short-term maturity of these financial instruments.

31. Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholders' value.

The capital structure of the Group comprises only share capital, reserves and accumulated profits as disclosed in the statements of financial position as at respective financial year end.

As disclosed in Note 24, the subsidiaries are required by relevant laws and regulations of the PRC to contribute to and maintain a non-distributable PRC statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the subsidiaries for the financial year ended 30 June 2015 and 2014.

The Group manages its capital structure by making necessary adjustments to it in response to the changes in economic conditions.

The Group's management reviews the capital structure on a regular basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group manages capital by regularly monitoring its current and expected liquidity requirements. Except as mentioned above and the conversion of RMB into foreign currencies which is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government, the Group is not subject to other internally or externally imposed capital requirements.

The Group's and Company's overall strategy remains unchanged from the previous financial year.

32. Events subsequent to the reporting date

- **32.1** On 2 July 2015, Wangcheng had made an early full settlement of the loan RMB17,000,000 to China Everbright Bank.
- **32.2** On 26 August 2015, the Company lodged the offer information statement relating to a renounceable underwritten rights issue ("Right Issue") of 270,333,587 new ordinary shares in the capital of the Company at an issue price of S\$0.07 (equivalent to RMB 0.01556) for each right share on the basis of one right share for every two existing ordinary shares in the issued and paid up capital of the Company ("Share") held by shareholders of the Company as at book closure date on 24 August 2015, to raise gross proceed of approximately S\$18,900,000 (approximately RMB84,353,000). On 18 September 2015, the Company had allotted and issued 270,333,587 right shares and the right shares were listed and quoted on the SGX-ST on 21 September 2015. As a result of the issue of the right shares, the number of issued and paid up Shares of the Company had increased from 540,667,175 Shares to 811,000,762 Shares.
- **32.3** In compliance with Singapore Exchange Securities Trading Limited ("SGX-ST") minimum trading price per share of S\$0.20 requirement, the Company proposed to undertake a share consolidation exercise to consolidate every five (5) existing ordinary shares into one (1) ordinary share in the capital of the Company as announced in SGX-ST on 18 September 2015.

Statistics of Shareholdings

As at 28 September 2015

SHAREHOLDING INFORMATION

Total Number of Shares	:	811,000,762
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share (excluding treasury shares)
Treasury Shares	:	Nil

ANALYSIS OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 - 99	_	_	_	_
100 - 1,000	97	6.37	94,300	0.01
1,001 - 10,000	303	19.89	2,395,514	0.30
10,001 - 1,000,000	1,090	71.57	101,968,825	12.57
1,000,001 and above	33	2.17	706,542,123	87.12
Total	1,523	100.00	811,000,762	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct		Deemed	
	Interest	%	Interest	%
Sanwang International Holdings Limited ⁽¹⁾	301,055,077	37.12	_	_
Chen Qiuhai	_	_	301,055,077	37.12
Global Yellow Pages Limited	108,133,305	13.33	_	_
Hydrex International Pte Ltd	63,000,000	7.77	_	_
Goi Seng Hui ⁽²⁾	-	_	63,000,000	7.77
Ee Guan Hui Gilbert ⁽³⁾	60,942,000	7.51	4,996,500	0.62

The percentage of shareholding above is computed based on the total number of issued shares of 811,000,762 excluding treasury shares.

Notes:

- ⁽¹⁾ Sanwang International Holdings Limited ("Sanwang") is a company incorporated in British Virgin Islands and wholly-owned by Mr Chen Qiuhai. Accordingly, Mr Chen Qiuhai is deemed to be interested in the 301,055,077 ordinary shares held by Sanwang by virtue of Section 4 of the Securities and Future Act. Sanwang has a direct interest in the 298,705,077 ordinary shares registered in the name of UOB Kay Hian Pte. Ltd.
- ⁽²⁾ Mr Goi Seng Hui is deemed to be interested in the 63,000,000 shares held by Hydrex International Pte Ltd.
- ⁽³⁾ Mr Ee Guan Hui Gilbert is deemed to be interested in the 4,996,500 ordinary shares held under the nominee account, BSI Bank (Singapore) Ltd.

Statistics of Shareholdings

As at 28 September 2015

TWENTY LARGEST SHAREHOLDERS

No	Name of Shareholders	Number of Shares	%
No.	Name of Shareholders	Snares	%
1	UOB KAY HIAN PTE LTD	321,628,077	39.66
2	GLOBAL YELLOW PAGES LIMITED	108,133,305	13.33
3	HYDREX INTERNATIONAL PTE LTD	63,000,000	7.77
4	EE GUAN HUI GILBERT	60,942,000	7.51
5	OCBC SECURITIES PRIVATE LIMITED	47,216,300	5.82
6	CHIA KEE KOON	13,693,000	1.69
7	CIMB SECURITIES (SINGAPORE) PTE LTD	10,476,950	1.29
8	FORTUNE TECHNOLOGY FUND LTD	10,000,000	1.23
9	RHB SECURITIES SINGAPORE PRIVATE LIMITED	9,631,500	1.19
10	CHEW GHIM BOK	7,540,000	0.93
11	HSBC (SINGAPORE) NOMINEES PTE LTD	4,996,500	0.62
12	SIM BENG HUAT HENRY	4,846,800	0.60
13	PHILLIP SECURITIES PTE LTD	4,831,200	0.60
14	DBS NOMINEES PTE LTD	3,347,900	0.41
15	MAYBANK KIM ENG SECURITIES PTE LTD	3,343,591	0.41
16	RAFFLES NOMINEES (PTE) LTD	2,841,800	0.35
17	UNITED OVERSEAS BANK NOMINEES PRIVATE LIMITED	2,768,000	0.34
18	LEE SUI HEE	2,653,000	0.33
19	HONG LEONG FINANCE NOMINEES PRIVATE LIMITED	2,415,000	0.30
20	SANWANG INTERNATIONAL HOLDINGS LIMITED	2,350,000	0.29
	Total	686,654,923	84.67

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on information available to the Company as at 28 September 2015, there was approximately 33.48% of the Company's total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Yamada Green Resources Limited (the "**Company**") will be held at 6 Battery Road #10-01 Singapore 049909 on Thursday, 29 October 2015 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

- 1. To receive and adopt the Directors' Report and the Audited Accounts of the Company and the Group for the financial year ended 30 June 2015 together with the Auditors' Report thereon. (Resolution 1)
- 2. To declare a first and final tax-exempted (one-tier) dividend of RMB0.006 per ordinary share for the financial year ended 30 June 2015. (2014: RMB 0.012). (Resolution 2)
- 3. To re-elect the following Directors of the Company who retire pursuant to Article 91 of the Articles of Association of the Company:

Professor Tan Cheng Han	(Retiring under Article 91)	(Resolution 3)
Mr. Goi Kok Neng	(Retiring under Article 91)	(Resolution 4)

[See Explanatory Note (i)]

- 4. To approve the payment of Directors' fees of S\$180,000 for the financial year ending 30 June 2016, to be paid half yearly in arrears. (FY2015: S\$180,000) (Resolution 5)
- 5. To re-appoint Messrs BDO LLP, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. (Resolution 6)
- 6. To transact any other ordinary business which may properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
 - make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "Share Issue Mandate")

provided that:

- the aggregate number of shares (including shares to be issued pursuance to the Instruments, made (1)or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the (2) aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - new shares arising from exercising share options or vesting of share awards outstanding and (b) subsisting at the time of the passing of this Resolution; and
 - (C) any subsequent consolidation or subdivision of shares;
- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting ("AGM") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments. [See Explanatory Note (ii)] (Resolution 7)

8. Authority to issue shares under the Yamada Green Resources Share Option Scheme

That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to offer and grant share options under the Yamada Green Resources Share Option Scheme (the "Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of share options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued and/or issuable pursuant to the Scheme and all shares awarded under the Yamada Green Resources Performance Share Plan shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless varied or revoked by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 8)

9. Authority to issue shares under the Yamada Green Resources Performance Share Plan

That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to offer and grant share awards under the Yamada Green Resources Performance Share Plan (the "Plan") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of share awards under the Plan, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Plan and ordinary shares to be issued and/or issuable in respect of all share options granted under the Yamada Green Resources Share Option Scheme shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless varied or revoked by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company or the general.

[See Explanatory Note (iv)]

(Resolution 9)

By Order of the Board

Chew Kok Liang Shirley Tan Sey Liy Company Secretaries

Singapore, 14 October 2015

Explanatory Notes:

(i) Professor Tan Cheng Han will, upon re-election as a Director of the Company, remain as the member of Audit Committee, Nominating Committee, and Remuneration Committee and will be considered non-independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr. Goi Kok Neng will, upon re-election as a Director of the Company, remain as a member of Nominating Committee.

(ii) Resolution 7, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

- (iii) Resolution 8, if passed, will authorise and empower the Directors of the Company from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares in the capital of the Company pursuant to the exercise of share options granted under the Yamada Green Resources Share Option Scheme ("Scheme") provided that the aggregate number of additional shares to be issued and/or issuable pursuant to the Scheme and all shares awarded under the Yamada Green Resources Performance Share Plan ("Plan") do not exceed in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.
- (iv) Resolution 9, if passed, will authorise and empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares in the capital of the Company pursuant to the vesting of share awards under the Plan provided that the aggregate number of additional shares to be issued pursuant to the Plan and ordinary shares to be issued and/or issuable in respect of all share options granted under the Scheme do not exceed in total (for the entire duration of the Plan) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

Notes:

- 1. A Member entitled to attend and vote at the AGM (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
- 2. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at Six Battery Road #10-01 Singapore 049909 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) for the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

YAMADA GREEN RESOURCES LIMITED

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

ANNUAL GENERAL MEETING

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

- For investors who have used their CPF monies to buy Yamada Green Resources Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- 3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We	(Name)		(NRIC/Passport No)
of			(Address)
being a member/members of YAMADA GREE	EN RESOURCES LIMITED (the "C	Company"), hereby appoint	:
Name	NRIC/Passport No.	Proportion of Sha	areholdings
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at 6 Battery Road #10-01 Singapore 049909 on Thursday, 29 October 2015 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/their discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick $[\sqrt{}]$ within the box provided.)

No.	Resolutions relating to:	For	Against
Ordin	ary Business		-
1	Directors' Report and Audited Accounts for the financial year ended 30 June 2015		
2	Declaration of a first and final tax-exempted (one-tier) dividend of RMB0.006 per ordinary share for the financial year ended 30 June 2015		
3	Re-election of Professor Tan Cheng Han as a Director		
4	Re-election of Mr. Goi Kok Neng as a Director		
5	Approval of Directors' fees amounting to S\$180,000 for the financial year ending 30 June 2016, to be paid half yearly in arrears		
6	Re-appointment of Messrs BDO LLP as Auditors and to authorise the Directors of the Company to fix their remuneration		
Speci	al Business		
7	Authority to issue shares		
8	Authority to issue shares under the Yamada Green Resources Share Option Scheme		
9	Authority to issue shares under the Yamada Green Resources Performance Share Plan		

Dated this _____ day of _____ 2015

Total No. of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)

or, Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

- 1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Singapore Companies Act, Chapter 50), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
- 2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- 3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- 4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
- 5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at Six Battery Road #10-01 Singapore 049909 not less than forty-eight (48) hours before the time appointed for the Meeting.
- 6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
- 7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Singapore Companies Act, Chapter 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 October 2015.



YAMADA GREEN RESOURCES LIMITED Company Registration No. 201002962E

Houyu Food Industrial Zone, Jingxi Town, Minhou County, Fuzhou City, Fujian Province, PRC 350101 Tel: (86) 591-2262 6262 Fax: (86) 591-2262 6269

