



YOUBISHENG
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Youbisheng Green Paper AG

Interim Report Q3 2011



Youbisheng Green Paper AG

KEY FINANCIALS

		Q1-Q3		
		2010	2011	+/-%
Revenues	million €	59.7	68.0	13.8
Gross profit	million €	15.3	16.9	10.6
Gross profit margin	%	25.6	24.9	-0.7PP
EBITDA	million €	16.4	17.4	6.1
EBITDA margin	%	27.5	25.6	-1.9PP
EBIT	million €	14.9	16.1	8.2
EBIT margin	%	24.9	23.6	-1.3PP
Net profit	million €	13.1	12.1	-7.5
Net profit margin	%	21.9	17.8	-4.1PP
Net Cash flow from operations	million €	8.3	13.5	62.1

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COMPANY PROFILE

Youbisheng Green Paper AG is the German holding company of a Chinese clean-tech leader of environmentally friendly produced linerboard from up to 100% recovered fibres. The high-quality linerboard innovations of Youbisheng take up a special position in the Chinese market and are produced in the own production plant near Quanzhou City. They are used in the packaging industry in the Fujian and Guangdong Province (together about 141 million inhabitants), especially for visually attractive sales packaging and carrier bags of high-quality consumer goods.

DEAR FELLOW SHAREHOLDERS,

Youbisheng Green Paper AG can look back on a very strong third quarter 2011. We outperformed our ambitious targets and realized a 15.1% growth rate compared to the third quarter 2010.

As a result, in the nine months 2011 period revenues increased by 13.8% compared to the last year's period to Euro 68.0 million. This is a great success in the light of our limited production capacities. Through a higher outsourcing volume and a shift to unique high-value products we were able to reach such strong results. Our double-sided testliner continues to dominate the growth. The very positive sales development of this product will contribute our profitability in the future.

We are still moving in line with our goal to increase sales in other provinces of China. In the reporting period, we have raised our sales to outside Fujian and Quangdong province, selling our products to the provinces Anhui, Sechuan and Hubei.

In the past months, our R&D team has developed a new single-sided testliner with a higher basic weight of 400 g/m². We successfully introduced this product into the market in October. The gross margin of the new single-sided testliner is above the margin for the standard testliner. In addition our R&D team is working on further enhanced testliner products for the future.

The testliner industry continues to see growth in volume. This is due to the fact that domestic demand for consumer goods remains robust especially in urban areas. This increases the demand for our testliners since they provide the basic material for consumer packaging. Also, the testliner industry directly benefits from the current appreciation of the Renminbi and hence the lower cost of raw materials, which we mainly buy overseas.

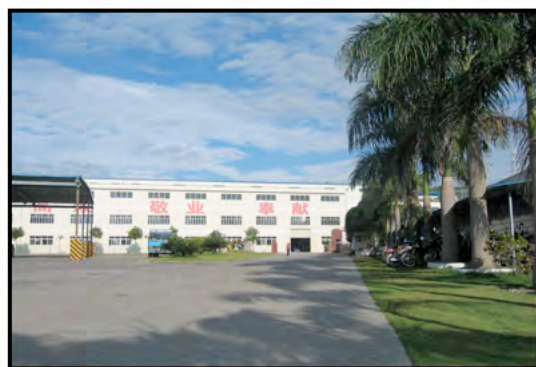
On the basis of our strong nine months results, we raised our guidance for the full financial year 2011. We now expect revenues of more than Euro 94 million and an EBIT margin above 23.5 %.

Yours sincerely

Haiming Huang
CEO Youbisheng Green Paper AG

Youbisheng Green Paper AG

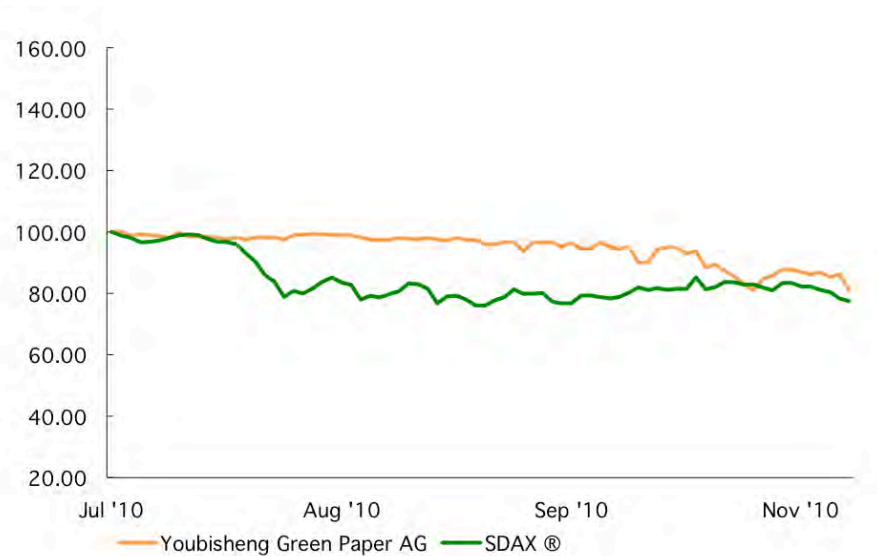
PRODUCTION AND PRODUCT EXAMPLES



The Share

Youbisheng Green Paper AG (Youbisheng) was listed in Frankfurt Stock Exchange, Germany on 13 July, 2011. A total of 217,705 no par value ordinary bearer shares (Inhaberstückaktien) were placed in the IPO at an issue price of EUR 6.50. The first price for the share was EUR 6.60, approx. 15% above the issue price. During the third quarter 2011 the Youbisheng Green Paper AG's share price showed a slight decrease of nearly 2.5% and closed at EUR 6.44 as of September 30, 2011. Compared to the SDAX, which dropped at the beginning of August by nearly 20%, the share of Youbisheng Green Paper AG was less effected by this downward pressure. Since the end of the reporting period the share price decreased by almost 13.2% to EUR 5.40 as of November 22, 2011.

RELATIVE SHARE PRICE DEVELOPMENT IN %



KEY FACTS TO THE SHARE

First trading day	13 July 2011
Market segment / Stock exchange	Prime Standard / Frankfurt Stock Exchange
Shares issued	10,217,705
ISIN	DE000A1KRLR0
WKN	A1KRLR
Ticker	YB1

Interim Management Report

Jan 01, 2011 – Sep 30, 2011



Interim Management Report

ECONOMIC AND INDUSTRY ENVIRONMENT

In 2010 China outpaced Japan as the world's second-largest economy. According to IMF (International Monetary Fund, World Economic Outlook September 2011) the growth in China will average 9 to 9.5% during 2011–12, less than the average of 10.5% during 2000–07, as ongoing policy tightening and a smaller contribution from net external demand moderate activity.

With the new 12th Five-Year Plan the Chinese government intends to ensure sustainable growth through the medium and long-term, by rebalancing from government spending and heavy reliance on exports toward domestic consumption. In 2010 private consumption was still at a low level, accounting for 33% of the country's GDP. For comparison, consumption ratio in the US was 71% and in the UK 67%. Supported by the gradually improving social security environment and gains in wages and employment the Chinese are likely to increase their consumption spending. McKinsey (2011 Annual Chinese Consumer Study, October 2011) is expecting the real consumption in China to double from USD 2.4 trillion in 2010 to USD 4.8 trillion in 2020.

The growth of the Chinese Linerboard market depends mainly on the increasing demand from the local manufacturing for packaging materials, which is connected to the increase of domestic consumption. According to Protégé Associates, the CAGR is estimated to be 11.2% during the period from 2010–15.

With the strengthening of the Renminbi, the price of recycled paper from Europe and US become decreased for Chinese companies. The testliner industry directly benefits from the appreciation of the Renminbi and hence the lower costs of raw materials.

EARNINGS POSITION

Despite the Company's limited capacities the overall sales volume grew in the first nine months of 2011 by 13.8% to EUR 68.0 million compared to EUR 59.7 million in 9M of 2010. This effect is mostly due to a higher outsourcing volume and a shift to unique high-value and high-margin products, developed by Youbisheng in the past years.

in TEUR	Q1-Q3		
	2010	2011	+/-%
Sales	59,718	67,954	13.8
Cost of sales	-44,417	-51,035	14.9
Gross profit	15,301	16,919	10.6
Other operating income	337	368	9.2
Selling and distribution expenses	-99	-108	9.1
Administrative expenses	-675	-1,103	63.4
Other operating expenses	-12	-5	-58.3
Profit from operations (EBIT)	14,852	16,071	8.2
Finance income	60	50	-16.7
Finance costs	0	23	n/a
Profit before income tax	14,912	16,098	8.0
Income tax	-1,860	-4,029	116.6
Profit for the period	13,052	12,069	-7.5

Therefore Group earnings before tax increased by 8.2% from EUR 14.9 million in the first nine months 2010 to EUR 16.1 million in the comparable period 2011. Due to the expiration of the tax incentive at the end of Year 2010 the tax rate rose from 12.5% to 25%. On account of this the earnings after tax declined by 7.5% from EUR 13.1 million in 9M 2010 to EUR 12.1 million in 9M 2011.

Because of the higher outsourcing volume the gross profit margin decreased slightly from 25.6% in 9M 2010 to 24.9% in 9M 2011. In addition higher transport costs for the inter-provincial distribution have affected the gross margin.

SEGMENT INFORMATION

Single-sided testliners (Youbisheng Production)

The sales of own-produced single-sided testliner decreased by 6.5% from ca. 89,898 tons in 9M 2010 to 84,079 tons in 9M 2011. Due to a limited capacity, our production is focusing on double-sided testliner, which generate a higher gross profit margin. The average selling price per ton increased from EUR 386.41 in 9M 2010 compared to EUR 401.41 in 9M 2011. However, the increase in selling price is set off by higher cost of goods sold. The average cost of goods sold per ton increased from EUR 286.26 in 9M 2010 to EUR 298.78 in 9M 2011. Therefore the average gross profit margin for single-sided testliner decreased slightly from 25.9% in 9M 2010 to 25.6% in 9M 2011.

Double-sided testliners (Youbisheng Production)

The sales of double-sided testliner increased by 37.4% from approx. 21,609 tons in 9M 2010 to ca. 29,692 tons in 9M 2011. Youbisheng managed to penetrate the market outside the Fujian and Quangdong provinces and started to deliver the double sided testliner to Zhejiang, Hunan, Anhui, Sechuan and Hubei provinces. The high demand is due to the extraordinary cost/performance ratio of the double-sided testliner. The double-sided testliner offers nearly the same characteristics as the more expensive kraftliner. In addition it is produced environmentally friendly from up to 100% recovered fibers. The average selling price per ton was EUR 444.19 in the first nine months of 2011. Due to currency effects the average selling price in the respective period last year was slightly higher. The average cost of goods sold per ton increased from EUR 301.32 in 9M 2010 to EUR 311.87 in 9M 2011. This is mainly caused by higher transportation costs for selling to more provinces. Therefore the average gross profit margin for double-sided testliner decreased from 32.2% in 9M 2010 to 29.8% in 9M 2011.

Single-sided testliners (Sub-contracted Production)

Because of the high demand the outsourced production quantity could be further extended and the sales of single-sided testliner, which were produced by a subcontractor increased from approx. 39,878 tons in 9M 2010 to approx. 52,105 tons in 9M 2011. The average gross profit margin decreased slightly from 20.9% in 9M 2010 to 20.8% in 9M 2011.

FY 1.1.2011-30.9.2011					
Ex rate: 0.1084					
		Sales volume/ tons	Sales/ Euro	Gross Profit Margin in %	Gross profit/ Euro
Production Youbisheng	Single-sided Testliner	84,078.722	33,750.310	25.6	8,629.195
Production Youbisheng	Double-sided Testliner	29,692.227	13,189.064	29.8	3,928.812
Production Sub-Contractor	Single-sided Testliner	52,104.794	21,014.842	20.8	4,360.726
Total		165,875.743	67,954.216	24.9	16,918.733

FY1.1.2010-30.9.2010					
Ex rate: 0.1119					
		Sales volume/ tons	Sales/ Euro	Gross Profit Margin in %	Gross profit/ Euro
Production Youbisheng	Single-sided Testliner	89,897.512	34,737.495	25.9	9,003.821
Production Youbisheng	Double-sided Testliner	21,609.240	9,599.957	32.2	3,088.582
Production Sub- Contractor	Single-sided Testliner	39,878.005	15,380.424	20.9	3,208.152
Total		151,384.757	59,717.876	25.6	15,300.555

ASSET POSITION

Total assets increased from EUR 45.2 million to EUR 63.8 million. This increase was due to an increase in trade receivable as well an increase in cash and bank balances.

	Dec 31, 2010	Sep, 30 2011
In TEUR		
Current assets	30,084	49,665
Non-current assets	15,134	14,088
Total assets	45,218	63,753
Current Liabilities	18,178	22,444
Non-current liabilities	982	447
Total liabilities	19,160	22,891
Total equity	26,058	40,862
Total liabilities and equity	45,218	63,753

Current Assets

The total current assets increased from EUR 30.1 million as at 31 December 2010 to EUR 49.7 million as at 30 September 2011. Current assets mostly consist of trade receivables, cash and cash equivalents, which made up to 44.9% and 48.2% respective as at 30 September 2011. The other positions are inventories and other receivables, which made up of 4.9% and 2.0% respectively as at 30 September 2011.

Inventories

Raw material from inventories reduced from EUR 1.7 million as at 31 December 2010 to EUR 1.6 million as at 30 September 2011. The management maintained the inventories level at around EUR 1.7 million, which is an optimum level. Finished goods decreased from EUR 1.1 million as at 31 December 2010 to EUR 0.8 million as at 30 September 2011. The management policy is to maintain low levels of inventories of finished goods.

	FY 2010	Q3 2011
In TEUR		
Raw materials	1,661	1,628
Finished Goods	1,078	806

Trade receivables

Trade receivable increased from EUR 17.6 million as at 31 December 2010 to EUR 22.3 million as at the end of Q3 2011. Our group has raised our sales to outside Fujian and Quangdong province. The outside provinces that we managed to sell our products to are Zhejiang, Hunan, Anhui, Sechuan and Hubei.

Other receivables and prepayments

Other receivable and prepayment increased from EUR 0.7 million as at 31 December 2010 to EUR 1.0 million as at the end of Q3 2011. The increase was due to the prepayment and amounts due to related companies.

Cash and cash equivalents

Cash and cash equivalents amounted at EUR 24.0 million as of 30 September 2011. For a description of the changes in cash in the first nine months of 2010, see the section "Cash Flow Statement".

	Dec 31, 2010	Sep 30, 2011
In TEUR		
Cash on hand	6	6
Cash in banks	8,846	22,580
Deposit on bank's acceptance bill	208	1,375

Non-current assets

Non-current assets consist of property, plant and equipment, land use rights and deferred tax assets, which made up 94.0%, 4.6% and 1.3% respectively as at 30 September 2011. Our group replaced a new steam boiler early in the year 2011 in order to operate more efficiently. Non-current assets decreased from EUR 15.1 million as at 31 December 2010 to EUR 14.1 million as at 30 September 2011 mainly due to depreciation.

Property, plant and equipment

Property, plant and equipment decreased from EUR 14.4 million as at 31 December 2010 to EUR 13.2 million as at 30 September 2011 due to depreciation. Our group invested EUR 0.1 million for a new steam boiler early in the year 2011.

Land use rights

Land use rights remained almost the same at EUR 0.6 million as at 31 December 2010 and 30 September 2011.

Liabilities

The total liabilities increased from EUR 19.2 million as at 31 December 2010 to EUR 22.9 million as at 30 September 2011. Total liabilities consist of trade payables, other payables, tax liabilities and short term loans which made up 55.4%, 9.4%, 9.1% and 26.1% respectively as at 30 September 2011. Our group had higher tax liabilities as compared to 2010.

Trade payables and Notes Payable

Trade payables and notes payable amounted to EUR 8.9 million as at 31 December 2010 and increased to EUR 12.7 million as at 30 September 2011.

Other payables and accruals

Other payables and accruals increased from EUR 3.2 million as at 31 December 2010 to EUR 4.2 million as at 30 September 2011. This is mainly due to increased provisions for corporate tax. The corporate tax rate in FY2010 was 12.5% and 25.0% in 9M 2011.

Equity

Our group equity increased from EUR 26.1 million as at 31 December 2010 to EUR 40.9 million as at 30 September 2011. The equity increase is due to the profit generated from operations, increase in new share, increase in capital contribution and increase in capital reserve.

FINANCIAL POSITION

Cash Flow Statement

Youbisheng group managed to increase sales of testliner in 9M 2011 as compared to 9M 2010. Operating cash flow before working capital changes amounted to EUR 17,7 million in 9M 2011 as compared to EUR 16,8 million in 9M 2010.

	Q1-Q3 2010	Q1-Q3 2011
In TEUR		
Operating cash flow before working capital changes	16,825	17,692
Cash generated from/(used in) operations	16,546	16,113
Net cash generated from operating activities	8,323	13,494
Cash flow used in investing activities	-3,229	-104
Cash flow from financing activities	-4,521	246
Net increase in cash and cash equivalents	573	13,636
Cash and cash equivalents at beginning of year	16,004	9,060
Foreign exchange difference	1,283	1,265
Cash and cash equivalents at end of the period	17,860	23,961

Net Cash generated from Operating Activities

Our group continues to generate cash from operations. Net cash generated from operating activities amounted to EUR 13.5 million in the first nine months 2011 whereas net cash generated from operating activities in 9M 2010 amounted to EUR 8.3 million. Cash generated from operating activities was lower as at 30 September 2010 due to amounts paid for withholding tax for declared dividends.

Cash at end of period

Cash and bank balances amounted to EUR 17.9 million at the end of Q3 2010. As at 30 September 2011, cash and bank balances amounted to EUR 24.0 million. The cash and bank balances were lower because there was dividend paid in year 2010.

HUMAN RESOURCES

The number of employees increased from 299 as of December 31, 2010 to 308 as of September 30, 2011. This rise is due to an increase in the number of production workers and general workers.

RESEARCH AND DEVELOPMENT

Our group had spent EUR 0.2 million in research and development in 9M 2011. It is about the same amount our group had spent in the comparable period 2010. We will continue to invest in research and development and focus on developing new unique high-value and high-margin products as well as efficient and clean production processes.

OPPORTUNITIES AND RISKS

The company's IPO Prospectus from June 16, 2011 provides full details of risk factors that could affect the business performance of Youbisheng Green Paper AG in section 3 "Risk Factors" while business potential is discussed in section 13 "Business Activities of Youbisheng". There was no material change in the risk/opportunity profile of Youbisheng Green Paper AG in the reporting period. The company is closely monitoring all perceived risks and is very active in addressing them.

REPORT ON POST-BALANCE SHEET EVENTS

There have been no significant events after the reporting period.

OUTLOOK

As announced in the ad-hoc release of 21 November 2011 the management updated its guidance for full year 2011 on the basis of the strong nine months 2011 results and now expects revenues of more than EUR 94 million and an EBIT margin above 23.5%. Previously the targeted revenue amounted to approx. EUR 78 million.

With the coming fourth quarter of year 2011, the demand of consumable goods will increase due to the upcoming school holiday, Christmas festival and preparation of Chinese New Year. Traditionally, the sale volume of the testliner market in China increases in the fourth quarter.

Recently, Youbisheng has developed an innovative heavy single sided testliner with a higher basic weight of 400 g/m² (standard testliner: 200 g/m²). The product was introduced into the market in October this year. In the same month, the company already sold 300 tons to five packaging customers with an average gross margin of 24%. The innovative heavy testliner product offers higher strength and a higher burst index. Therefore it is used for the production of small boxes, which require a high level of stability. The use of the heavy testliner saves costs for the packaging companies, because the additional production stage of compressing two 200g/m² testliners is no longer required. Youbisheng sells its new heavy testliner to the consumer packaging industry in the Fujian province and expects an increasing demand for this product in the future. Currently, the R&D team is working on a further enhanced single sided testliner with an even higher basic weight of 450g/m².

In 2012 the Company expects to introduce the anti counterfeit testliner to the market. Youbisheng will continue to develop new innovative products to secure stable margins.

Munich, November 30, 2011

Interim Financial Statements

Jan 01, 2011 – Sep 30, 2011



Financial Statements

Youbisheng Green Paper AG

Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2011

	Q1-Q3	
	2010	2011
In TEUR		
Sales	59,718	67,954
COGS	-44,417	-51,035
Gross profit	15,301	16,919
Other operating income	337	368
Other operating expenses	-12	-5
Selling & Distributing expenses	-99	-108
Administrative expenses	-675	-1,103
Finance income	60	50
Finance costs	0	-23
Profit before taxation	14,912	16,098
Tax expenses	-1,860	-4,029
Profit for the year	13,052	12,069
Dividend paid	-6,434	0
Exchange gain	2,507	1,396
Total comprehensive income	9,125	13,465

INTERIM CONSOLIDATED BALANCE SHEET

As of September 30, 2011 and December 31, 2010

	Dec 31, 2010	Sep 30, 2011
In TEUR		
Current assets		
Inventories	2,739	2,434
Trade receivables	17,600	22,296
Other receivables and prepayments	684	974
Cash and cash equivalents	9,060	23,961
Non-current assets		
Property, plant and equipment	14,434	13,247
Land use rights	660	653
Deferred tax assets	41	188
Total assets	45,218	63,753
LIABILITIES		
Current liabilities		
Trade payables	8,918	12,682
Other payables and accruals	1,790	1,811
Short term loan	7,068	5,975
Income tax payable	402	1,976
Deferred tax liability	100	103
Non current financial liabilities	882	344
Total liabilities	19,160	22,891
CAPITAL AND RESERVES		
Share capital	3,058	10,218
Capital reserve	0	1,061
Statutory reserves	7,515	7,515
Merger reserve	0	-6,882
Retained earnings	10,690	27,554
Foreign exchange difference	4,795	1,396
Total equity	26,058	40,862
Total liabilities and equity	45,218	63,753

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ending September 30, 2011

	Share capital YBS AG	Capital reserves	Translation reserve	Retained earnings	Total equity
In TEUR					
Balance as at 01.01.2010	3,058	5,111	2,507	12,870	23,546
Net profit Q3 2010				13,052	13,052
Transfer			-2,507	2,507	0,0
Comprehensive income			2,091		2,091
Dividend paid				-6,434	-6,434
Balance as at 30.09.2010	3,058	5,111	2,091	21,995	32,255
Balance as at 01.01.2011	3,058	7,515	4,795	10,690	26,058
Net profit Q3 2011				12,069	12,069
Transfer			-4,795	4,795	0,0
Capital increase contribution	6,942	-6,882			60
Capital increase	218	1,061			1,279
Comprehensive income			1,396		1,396
Balance as at 30.09.2011	10,218	1,694	1,396	27,554	40,862

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ending September 30, 2011

	Q1-Q3 2010	Q1-Q3 2011
In € thousand		
Profit before income tax	14,912	16,099
Adjustments for:		
Depreciation of property, plant and equipment and amortization	1,509	1,349
Interest income	-60	-50
Interest expense	464	294
Operating cash flow before working capital changes	16,825	17,692
Working capital changes:		
(Increase)/decrease in:		
Inventories	-502	305
Trade receivables, other receivables	-9,745	-5,134
Increase/(decrease) in:		
Trade payables	2,057	3,763
Other payables and accruals	7,911	-513
Cash generated from/(used in) operations	16,546	16,113
Interest received	60	50
Interest expense	-464	-294
Income tax paid	-7,819	-2,375
Net cash generated from operating activities	8,323	13,494
Cash flow from investing activities		
Purchase of land, property, plant and equipment	-3,229	-104
Net cash used in investing activities	-3,229	-104
Cash flow used in financing activities		
Proceed from issue of share capital	0.0	1,339
Proceeds from short term loan	6,801	4,869
Repayment of short term loan	-11,322	-5,962
Net cash used in financing activities	-4,521	246
Net increase in cash and bank balances	573	13,636
Cash and bank balances at beginning of the year	16,004	9,060
Exchange gain/(loss) on cash and bank balances	1,283	1,265
Cash and bank balances at the end of the year	17,860	23,961

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from January 1 to September 30, 2011

1. BASIS OF PREPARATION

The interim consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as of the balance sheet date, and the additional requirements of German commercial law pursuant to sec. 315a (1) HGB. The interim consolidated financial statements comply with IFRS.

The preparation of financial statements in conformity with IFRS requires management to exercise judgment in the process of applying the Group's accounting policies and requires the use of accounting estimates and assumptions. The main areas in which estimates are used are the fair value deferred tax liabilities. Revisions to accounting estimates are recognized 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.

With regard to the preparation of the interim consolidated financial statements in accordance with IAS 34 'Interim Financial Reporting', the Management Board is required to make estimates and judgments which influence the application of accounting policies within the Company and the reporting of assets and liabilities as well as income and expenses. Actual amounts can differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in the interim consolidated financial statements generally correspond to the methods applied by Youbisheng Green Paper AG in its consolidated financial statements for the year ending 31 December 2010. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions, balances, income, expenses, profits and losses resulting from intra-group transactions are therefore eliminated in full. For further details, reference is made to these consolidated financial statements, which can be found in the notes of the Company's prospectus at www.youbisheng.de.

3. FUNCTIONAL AND PRESENTATION CURRENCY

	RMB/EUR	
	2010	2011
December 31	9.8039	-
September 30	9.1158	8.7032
Average first 9 months	8.9127	9.1865

4. NOTES TO THE INCOME STATEMENT

The statement of comprehensive income has been prepared using the function of expense method. The Company has elected to adopt IAS 1 (Revised 2007) by presenting the 'Statement of comprehensive income' in one statement.

The group managed to achieve profit before tax of EUR 16.1 million for Q3 2011 as compared to Euro 14.9 million for Q3 2010. The factor that contributed to the increase was the increase in sales especially that of the double-sided testliner. This represents an increase of 8.0% to the previous year. However, the rising of cost of raw material narrowed the increase down.

5. NOTES TO THE BALANCE SHEET

Youbisheng Green Paper AG was incorporated on 4 March 2011 and acquired Gui Xiang Industry Co. Ltd on 12 April 2011. Initially, the share capital amounted to Euro 50,000. On 12 April 2011, the amount of share capital increased to Euro 10,000,000. A total of 217,705 no par value ordinary bearer shares (Inhaberstückaktien) were placed in the IPO on 13 July 2011 and raised the share capital to the amount of EUR 10,217,705.

6. NOTES – OTHER

Related Party Disclosures

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

The director of the Group guaranteed secured short term loans of Euro 1.4 million as at Q3 2011.

7. EVENTS AFTER BALANCE SHEET DATE

There have been no significant events after the reporting period.

8. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issuance by the Board of Directors on November 30, 2011.

Munich, November 30, 2011

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the fiscal year.

Munich, November 30, 2011

Cautionary Note Regarding Forward-Looking Statement

This document contains forward-looking statements, which are based on the current estimates and assumptions by the corporate management of Youbisheng Green Paper AG. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by Youbisheng Green Paper AG and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside Youbisheng Green AG's control and cannot be accurately estimated in advance, such as the future economic environment or the actions of competitors and others involved in the marketplace. Youbisheng Green Paper AG neither undertakes nor plans to update any forward-looking statements.

Financial Calendar

Publication of Interim Report Q3 2011

November 30, 2011

Credits

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