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MEDIA RELEASE

YAMADA RECORDED 3Q2015 EARNINGS OF RMB34.6 MILLION FROM REVENUE OF RMB61.5 MILLION

- **Revenue slipped 23.0% to RMB198.1 million from RMB257.2 million in 3Q2014.**
- **Net earnings declined to RMB34.6 million from RMB39.0 million in 3Q2014**
- **Gross profit margin improved to 23.0% from 19.7% in 3Q2014 as a result of higher contribution from bamboo business in 3Q2015.**

Financial Highlights (RMB in million)	3Q2015	3Q2014	Change (%)	9M2015	9M2014	Change (%)
Revenue	**198.1**	257.2	(23.0%)	**430.7**	530.0	(18.7%)
Gross Profit	**45.6**	50.6	(10.0%)	**105.0**	121.2	(13.4%)
Gross Profit Margin (%)	**23.0**	19.7	3.3 ppt	**24.4**	22.9	1.5 ppt
Profit after Tax	**34.6**	39.0	(11.3%)	**61.5**	85.3	(27.9%)

Singapore, 13 May 2015 – SGX Mainboard-listed Yamada Green Resources Limited ("Yamada", or "the Group" or "山田绿色资源有限公司"), a major supplier of self-cultivated shiitake mushrooms, moso bamboo trees and bamboo shoots as well as a manufacturer and distributor of processed food products in Fujian Province, People's Republic of China ("PRC"), wish to announce our financial results for the third quarter and nine months ended 31 March 2015 ("3Q2015" and "9M2015").

3Q2015 Results Highlights

Revenue

Our revenue decreased by approximately RMB59.1 million or 23.0%, to approximately RMB198.1 million from January to March 2015 ("3Q2015") from approximately RMB257.2 million during the same period in 2014 ("3Q2014").

Revenue from our cultivation business segment fell approximately RMB52.2 million or 25.3% to RMB154.5 million in 3Q2015, from RMB 206.7 million in 3Q2014.

Sales of our self-cultivated shiitake mushrooms declined to approximately RMB121.7 million in 3Q2015, which decreased by approximately RMB69.5 million or 36.4% from approximately RMB190.9 million in 3Q2014. We harvested and sold approximately 17,400 tons shiitake mushrooms in 3Q2015 compared to approximately 26,500 tons in 3Q2014. It was largely attributable to scaling back shiitake mushroom cultivation farmland from 5,134 mu in 3Q2014 to 3,342 mu in 3Q2015. Out of the shiitake mushrooms harvested in 3Q2015, there were approximately 17,200 tons of shiitake mushrooms sold to external parties. The average selling price of our fresh shiitake mushroom was approximately RMB7.1 per kg compared to RMB7.2 per kg during the same period in the last financial year.

In addition, there were no sales of self-cultivated black fungus in 3Q2015. In line with our growth strategy in the future, we decided not to renew the lease of black fungus cultivation land after its expiration on 30 June 2014. In 3Q2014, approximately RMB8.4 miliion were derived from sales of black fungus.

The loss of the revenue in self-cultivation business segment was partially mitigated by increased sales in our moso bamboo business line subsequent to the expansion of our moso bamboo plantations. We operated 100,845 mu of moso bamboo plantations in 3Q2015 compared to 11,302 mu in 3Q2014. Revenue from our moso bamboo business line increased to approximately RMB32.8 million in 3Q2015, from approximately RMB3.1 million in 3Q2014, representing nearly a tenfold increase. There were approximately 14,850 tons of bamboo shoots harvested and sold in 3Q2015, in contrast to approximately 272 tons of bamboo shoots sold in 3Q2014. Out of the bamboo shoots harvested in 3Q2015, there were approximately 13,110 tons sold to external parties.

Revenue generated from the processed food product business segment decreased by approximately RMB6.9 million or 13.7%, to approximately RMB43.6 million in 3Q2015 from approximately RMB50.5 million in 3Q2014. It was primarily due to reduced production volume of existing konjac-based dietary fibre food products subsequent to the changes in our production and sales strategy in the domestic market..

Gross profit and gross profit margin

Our gross profit decreased by approximately RMB5.0 million or 10.0%, to approximately RMB45.6 million in 3Q2015 from approximately RMB50.6 million in 3Q2014. However, the overall gross profit margin increased to 23.0% in 3Q2015 compared to 19.7% in 3Q2014.

The gross profit margin of our cultivation business segment rose to 19.5% in 3Q2015 from 16.6% in 3Q2014. It was mainly attributable to increased contribution from our bamboo business which has a higher gross profit margin of approximately 40.0% in 3Q2015. The increase of gross profit margin was partly offset by a decline in gross profit margin of shiitake mushroom as average labour costs in production of mushroom logs and harvesting of shiitake mushrooms increased in 9M2015.

The gross profit margin of our processed food products business segment increased to 35.6% in 3Q2015 from 31.7% in 3Q2014, mainly due to changes in sales of product mix .

Other operating income

Other operating income of approximately RMB1.4 million mainly comprised of government grants and subsidies, interest income, rental income and other miscellaneous gains. The government grants obtained in 3Q2015 were mainly due to subsidizing the construction of our processing plants in in Tie Ling Economic and Technological Development Zone as it is the government's policy to encourage companies' improvement in production capacity and technology. In addition, we rented out more spare office floors in our subsidiaries and generated a higher rental income in 3Q2015.

Operating expenses

Selling and distribution expenses decreased by approximately RMB0.2 million or 7.9%, to approximately RMB1.9 million in 3Q2015, from approximately RMB2.1 million in 3Q2014. It was mainly attributable to the reduction in sales and marketing staff and sales promotion expenses as we were in the process of adjusting our marketing strategy.

Administrative expenses increased by approximately RMB0.9 million or 16.5% to approximately RMB6.1 million in 3Q2015 from approximately RMB5.2 million in 3Q2014. It primarily arose from riverbank maintenance fees imposed by the PRC government in 3Q2015.

Other operating expenses mainly comprised maintenance cost of eucalyptus plantations and foreign exchange loss. which decreased by approximately RMB0.2 million or 15.0%, to approximately RMB1.1 million in 3Q2015, from approximately RMB1.3 million in 3Q2014. It was mostly due to a decreased maintenance costs of eucalyptus plantations as less maintenance work was required on more mature plantations.

Finance cost

Bank borrowings decreased from RMB30.0 in 3Q2014 to RMB25.0 million in 3Q2015 and resulted in lower interest expenses. Finance cost declined by approximately RMB0.1 million or 11.7% to approximately RMB0.5 million 3Q2015 from approximately RMB0.6 million in 3Q2014.

Future Outlook & Growth Strategies

In tandem with our comprehensive business growth strategy, we will continue to focus on both of our cultivation and processed food businesses in the future.

Following an expansion of our moso bamboo plantations to 100,845 mu, the revenue contribution from our bamboo business has increased significantly in FY2015 and resulted in an improved gross profit margin for the cultivation business segment. Additionally, part of the spring bamboo shoots harvested from our moso bamboo plantations are supplied to our processed food business segment as raw materials used in the production of processed bamboo shoots. The total yield of our bamboo trees will also likely increase on a year-on-year basis as we will commence harvesting of bamboo trees from our newly-leased 67,000 mu* of moso bamboo plantations in our next financial year. We will monitor the performance of our cultivation business segment and implement an appropriate business strategy in a bid to underpin growth in this segment.

As a result of the economic development in the PRC, which has increased the standard of living and urbanisation, people in the PRC have a greater awareness of health issues. This has led to an increase in their consumption of healthy and convenience food products over the years. We believe the demand for healthy and convenience food products will continue to increase in the future. Therefore, we aim to capitalize on the opportunities in this market which shows great potential. Based on our revised production and sales plan in domestic market which is in line with our business development strategy, we have reduced the production volume of existing konjac-based food products and prepared to launch new konjac-based convenience food products in the near future subsequent to our continuous efforts in R&D of the products. In addition, we will expand the sales and distribution network and enhance our own branded product positioning.

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

*1 mu is equivalent to approximately 667 square metres

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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: Cultivation segment and processed food segment. Yamada's self-cultivated products comprise of moso bamboo trees, bamboo shoots and shiitake mushrooms. 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.

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