



Yamada Green Resources Limited  
 Houyu Food Industry Zone  
 Jingxi Town, Minhou County  
 Fuzhou City, Fujian Province, PRC 350101  
 www.yamada-green.com

## MEDIA RELEASE

### YAMADA RECORDED NET PROFIT OF RMB69.2 MILLION ON REVENUE OF RMB509.2 MILLION FOR FY2013

- *FY2013 revenue decreased by 8% to approximately RMB509.2 million*
- *Overall average unit selling price of self-cultivated fresh shiitake mushroom for FY2013 was maintained at the same level compared to FY2012*
- *Lower gross profit margin for FY2013 attributable to rising cost of raw materials whereas average selling price of shiitake mushrooms did not rise in tandem*
- *Self-cultivated edible fungi products contribution accounted for approximately 70% of the Group's revenue in FY2013*

Financial Highlights (RMB Million)	4Q2013	4Q2012	Changes	FY2013	FY2012	Changes
Revenue	55.8	58.5	-4.5%	509.2	553.3	-8.0%
Gross Profit	14.2	13.3	6.9%	113.2	208.3	-45.6%
Gross Profit Margin (%)	25.5%	22.8%	2.7ppt	22.2%	37.6%	-15.4ppt
Profit after Tax	0.2	(19.5)	n/m	69.2	137.0	-49.5%
Earnings per share – basic (RMB cents)	0.04	(4.7)	4.74	15.7	34.2	-18.5
Weighted average number of shares ('000)	498,452	410,935		440,996	408,042	

Singapore, 29 August 2013 – 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 edible fungi as well as a manufacturer and distributor of processed food products in Fujian Province, People’s Republic of China (“PRC”), is pleased to announce its financial results for the fourth quarter (“4Q2013”) and financial year ended 30 June 2013 (“FY2013”).

## Results Highlights

### *Revenue by segment:*

(RMB Million)	4Q2013	4Q2012	Changes	FY2013	FY2012	Changes
Self-cultivation	16.5	16.1	2.5%	354.8	392.1	(9.5%)
Processed food products	39.3	42.4	(7.3%)	154.3	161.2	(4.3%)
Total	55.8	58.5	(4.5%)	509.2	553.3	(8.0%)

Our revenue decreased by approximately RMB44.1 million, or 8.0%, from approximately RMB553.3 million for the financial year ended 30 June 2012 (“FY2012”) to approximately RMB509.2 million in FY2013.

We recorded a decrease of approximately RMB36.7 million, or 9.7%, from approximately RMB378.5 million in FY2012 to RMB341.8 million in FY2013, in sales of self-cultivated shiitake mushrooms. We currently operate approximately 5,134 mu of shiitake mushroom cultivation bases. We produced and sold approximately 50,650 tonnes of self-cultivated shiitake mushrooms (fresh weight) in FY2013 as compared to approximately 56,000 tonnes in FY2012. The main cause of the lower yield was the unfavorable weather condition in the cultivation sites from October to December 2012. The weather condition improved in January 2013 and the overall average unit selling price of self-cultivated fresh shiitake mushroom for FY2013 was relatively stable as compared to last year.

Sales generated from self-cultivated black fungus decreased by approximately RMB0.5 million, or 3.6%, from approximately RMB13.6 million in FY2012 to approximately RMB13.1 million in FY2013. We produced and sold approximately 2,800 tonnes (FY2012: 2,900 tonnes) of self-cultivated black fungus (fresh weight) and we currently operate approximately 86 mu of black fungus cultivation bases.

Sales of processed food products decreased by approximately RMB6.9 million, or 4.3%, from approximately RMB161.2 million in FY2012 to RMB154.3 million in FY2013. . The decrease was mainly due to sales recorded in weaker US Dollar and Japanese Yen despite stable demand from the Japanese market. Sales of processed food products in the domestic market increased from approximately RMB56.4 million in FY2012 to RMB57.6 million in FY2013. We continue to focus on expanding our products range and promoting our brands in the PRC market.

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

Our gross profit decreased by approximately RMB95.1 million, or 45.6%, from RMB208.3 million in FY2012 to RMB113.2 million in FY2013 owing to the decrease in revenue and lower profitability.

Our overall gross profit margin declined to 22.2% in FY2013 as compared to 37.6% in FY2012.

The gross profit margin for our self-cultivation business segment decreased from approximately 39.9% in FY2012 to approximately 18.2% in FY2013 which was mainly due to the rising raw material cost of synthetic logs whereas the average selling price of edible fungi remained the same as last year. Cost of synthetic logs had been on a rising trend since 2008 at approximately 10% year on year, whereas the average unit selling price of fresh shiitake mushroom are largely market driven.

The gross profit margin for our processed food products business segment was approximately 31.6% (FY2012: 33.2%). The variation was mainly due to changes in products mix.

### **Future Outlook**

The Group will utilise sawdust produced from our own eucalyptus trees for approximately 60% of shiitake mushrooms cultivation area in FY2014 and expects to harvest its first batch of Moso bamboo and winter bamboo shoots in the first half of FY2014. The spring bamboo shoots will be harvested and used as raw materials for one of our main processed food products, ie, water-boiled bamboo shoots, in the second half of FY2014. We expect that our own spring bamboo shoot will be able to fulfill approximately 50% of our processed food requirement. We aim to enhance our upstream resource sustainability.

In view of the uncertainty in the global economy, the Management will closely monitor the Group's operations and seek further growth in its core business, in particular the processed food business segment.

Barring unforeseen circumstances, the directors of the Company expect the Group to remain profitable in FY2014.

### **Results Briefing**

A results briefing session will be held at Conference Room, 6 Battery Road, #10-01, Singapore 049909, on Friday, 30 August 2013 at 10.30 a.m. for investors and analysts.

\*1 mu is equivalent to approximately 667 square metres

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## **About Yamada Green Resources Limited**

Yamada is a major grower and supplier of edible fungi, operating one of the largest shiitake mushrooms cultivation bases of approximately 5,100 mu in Fujian Province, PRC. Yamada possesses potential upstream resource sustainability with its eucalyptus plantations of approximately 51,000 mu and Moso bamboo plantations of approximately 11,000 mu. The sawdust made from eucalyptus trees is used as raw materials to produce synthetic logs for cultivation of shiitake mushrooms. The spring bamboo shoots will be harvested and used as raw materials for one of its main processed food products, ie, water-boiled bamboo shoots.

Yamada's products include self-cultivated edible fungi, which are mainly sold as fresh produce to wholesalers of agricultural food products in PRC. Yamada is also a manufacturer and supplier of processed food products, ie, processed mushrooms, processed vegetables and konjac-based dietary fibre food products. Its processed food products are sold in major cities in PRC under its trademarked brands, such as “旺成食品”, “研食坊”, “第七庄园” and “第七元素”. Yamada also export its processed food products to overseas market, mainly Japan, under its customers' brands.

*For further enquiries, please contact:*

*Ms Yang Lin, Chief Financial Officer  
Yamada Green Resources Limited  
Email: yanglin@yamada-green.com  
Contact: +65-9115 8973*