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 2Q2015 EARNINGS OF RMB22.1 MILLION FROM REVENUE OF RMB176.7 MILLION

- **Revenue slipped 24.1% to RMB176.6 million from RMB232.6 million in 2Q2014.**
- **Net earnings decreased to RMB22.1 million from RMB45.6 million in 2Q2014**
- **Full-year revenue contribution from the newly-leased 67,000 mu of moso bamboo plantations will commence in the next financial year.**

Financial Highlights (RMB Million)	2Q2015	2Q2014	Change (%)	HY2015	HY2014	Change (%)
Revenue	**176.7**	232.6	(24.1)	**232.6**	272.8	(14.7)
Gross Profit	**41.3**	59.1	(30.1)	**59.4**	70.6	(15.8)
Gross Profit Margin (%)	**23.4**	25.4	(2.0 ppt)	**25.6**	25.9	(0.3 ppt)
Profit after Tax	**22.1**	45.6	(51.5)	**26.9**	46.3	(41.8)

Singapore, 12 February 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 and moso bamboos 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 second quarter and half year ended 31 December 2014 ("2Q2015" and "HY2015").

FY2Q2015 Results Highlights

Revenue

Our revenue decreased by approximately RMB55.9 million or 24.1%, to approximately RMB176.7 million in 2Q2015 from approximately RMB232.6 million during October to December 2013 ("2Q2014").

The declined revenue was mainly due to lower sales generated from our cultivation business segment. Sales of our self-cultivated shiitake mushrooms was approximately RMB98.9 million in 2Q2015, which decreased by approximately RMB67.5 million or 40.6%

from approximately RMB166.4 million in 2Q2014. We produced approximately 13,800 tons and sold approximately 13,750 tons of shiitake mushrooms in 2Q2015 compared to approximately 24,000 tons harvested and sold in 2Q2014. It was largely attributable to scaling back shiitake mushroom cultivation farmland from 5,134 mu in 2Q2014 to 3,342 mu in 2Q2015. Furthermore, arrival of winter was delayed by almost three weeks in shiitake mushroom harvesting season. The average selling price of our fresh shiitake mushroom increased by 3% to approximately RMB7.2 per kg from approximately RMB7.0 per kg in the same period in the last financial year.

The loss of the revenue in our shiitake mushroom business line was mitigated by increased sales in our moso bamboo business line subsequent to the expansion of our moso bamboo plantations. In October 2014, we operated 33,845 mu of moso bamboo plantations. The plantations were further expanded by 67,000 mu to 100,845 mu in November 2014 compared to 11,302 mu in 2Q2014. We have commenced the harvesting of winter bamboo shoots in the 67,000 mu of moso bamboo plantations in 2Q2015 and the harvesting of bamboo trees in the plantations will only commence in our next financial year.

Revenue from our moso bamboo business line was increased to approximately RMB26.8 million from approximately RMB9.9 million in 2Q2014, representing nearly a threefold increase. There were approximately 22,870 tons of bamboo trees and 1,679 tons of winter bamboo shoots harvested and sold in 2Q2015, in contrast to approximately 15,600 tons of bamboo trees and 85 tons of winter bamboo shoots sold during 2Q2014.

Sales from the processed food products business segment increased by approximately RMB0.4 million or 0.8%, to approximately RMB51.0 million in 2Q2015 from approximately RMB50.6 million in 2Q2014. It was primarily due to higher export sales to the Japanese market in 2Q2015.

Gross profit and gross profit margin

Our gross profit decreased by approximately RMB17.8 million or 30.1%, to approximately RMB41.3 million in 2Q2015 from approximately RMB59.1million in 2Q2014. The overall gross profit margin decreased to 23.4% in 2Q2015 compared to 25.4% in 2Q2014.

The gross profit margin of our cultivation business segment decreased to 21.5% in 2Q2015 from 23.0% in 2Q2014. It was mainly as a result of increased labour costs in production of mushroom logs and harvesting of shiitake mushrooms. The decline of gross profit margin was partly offset by an increased contribution from our moso bamboo business which has a higher gross profit margin of approximately 42.0% in 2Q2015.

The gross profit margin of our processed food products business segment fell to 27.9% in 2Q2015 from 34.0% in 2Q2014. It was primarily due to increased labour cost.

Other operating income

Other operating income of approximately RMB0.8 million mainly comprised of government grants and subsidies, interest income, rental income and other miscellaneous gains. The government grants obtained in 2Q2015 were mainly due to receiving an award for the Provincial Key Dragon Head Enterprise for 2014. In addition, we rented out more spare office floors in our subsidiaries and generated a higher rental income in 2Q2015.

Operating expenses

Selling and distribution expenses remained constant at approximately RMB1.0 million in 2Q2015 compared to 2Q2014. It primarily included salaries for sales and marketing staff and custom charges.

Administrative expenses increased by approximately RMB9.2 million or 194.6%, to approximately RMB14.0 million in 2Q2015 from approximately RMB4.8 million in 2Q2014. It was mainly attributable to (i) a loss on disposal of land use rights of eucalyptus plantations amounting to approximately RMB6.1 million, (ii) part of R&D expenses paid to Fujian Agricultural and Forestry University were charged to administrative expenses as a technical consultancy fee in 2Q2015, and (iii) riverbank maintenance fees imposed by the PRC government.

Other operating expenses mainly consisted of maintenance cost of eucalyptus plantations and foreign exchange loss, which decreased by approximately RMB1.6 million or 44.8%, to approximately RMB2.0 million from approximately RMB3.6 million in 2Q2014.It was mostly due to a decreased maintenance costs of eucalyptus plantations as less maintenance work was required on more mature plantations.

Future Outlook & Growth Strategies

For the rest of FY2015, we will continue to strengthen our cultivation business and processed food business in line with our comprehensive business growth strategy.

We have increased our moso bamboo plantations from 33,845 mu to 100,845 mu, representing a threefold increase. With the expansion of our bamboo business which has a higher profit margin, we expect this business segment will continue to be the main growth driver of our Group's revenue. As we only commence harvesting of bamboo trees from our newly-leased 67,000 mu* of moso bamboo plantations in our next financial year, the total yield of our bamboo trees will likely increase on a year-on-year basis. On the other hand, we believe demand for our self-cultivated shiitake mushrooms will continue to remain healthy. Shiitake mushrooms are widely considered to be one of the most popular edible mushrooms in the PRC due to its pleasant taste and benefits for health.

Consumers' greater awareness of health issues and growing urbanisation in the PRC will lead to a steady increase in market demand for healthy and convenience food. In order to capture the growth in this segment, we will continue to improve our dietary fiber food products which are produced as convenience food to satisfy consumers' demand. We will enhance our own branded product positioning and extend the sales and distribution network in this segment.

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: self-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.

For enquiries, please contact:
Ms Chew Kim Kuan, Financial Controller
Yamada Green Resources Limited
Email: chewkimkuan@yamada-green.com