



Yamada Green Resources Limited
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MEDIA RELEASE

YAMADA ACHIEVED 1Q2015 EARNINGS OF RMB4.8 MILLION FROM REVENUE OF RMB55.9 MILLION

- Revenue rose 39.5% to RMB55.9 million from RMB40.1 million in 1Q2014.
- Net earnings grew from RMB0.6 million to RMB4.8 million

Financial Highlights (RMB Million)	1Q2015	1Q2014	Change (%)
Revenue	55.9	40.1	39.5
Gross Profit	18.1	11.5	57.6
Gross Profit Margin (%)	32.4	28.7	-
Profit after Tax	4.8	0.6	645.2

Singapore, 30 October 2014 – 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 and moso bamboos as well as a manufacturer and distributor of processed food products in Fujian Province, People’s Republic of China (“PRC”), is pleased to announce our financial results for the first quarter ended 30 September 2014 (“1Q2015”).

FY2015Q1 Results Highlights

Revenue

Our revenue grew by approximately RMB15.8 million or 39.5% to approximately RMB55.9 million in 1Q2015, from approximately RM40.1 million for the quarter ended 30 September 2013 (“1Q2014”). The revenue was derived from sales of processed food products and moso bamboo trees in 1Q2015.

Sales of our processed food products was approximately RMB50.1 million, increased by approximately RMB10.0 million or 25.0%, from RM40.1 million in 1Q2014. This was mainly due to higher demand of our processed food products, particularly, the demand from Japanese market. The average selling prices of most of the processed food

products, such as our water-boiled vegetables and processed mushrooms, also increased.

We recorded sales of approximately RMB5.8 million in our bamboo business in 1Q2015. Approximately 11,360 tonnes of moso bamboo trees were harvested and sold in September 2014. No bamboo trees were harvested during 1Q2014 as we only commenced harvesting of bamboo trees from 2Q2014 (i.e. October to December 2013).

Gross profit and gross profit margin

Our gross profit increased by approximately RMB6.6 million or 57.6% to RMB18.1 million from RMB11.5 million in 1Q2014.

The overall gross profit margin improved to 32.4% in 1Q2015 from 28.7% in 1Q2014. The gross profit margin of our moso bamboos was 34.3% while that of our processed food products increased from 28.7% in 1Q2014 to 32.2% in 1Q2015 due to changes in product mix.

Mr Chen Qiu Hai (陈秋海), Yamada's Executive Chairman and CEO, commented: "We are pleased to announce a 25% increase in sales of our processed food products in Q1. This is a continuation of the strong growth momentum we saw in FY2014."

"With our foray into the moso bamboo business, our commencement of harvesting of moso bamboo trees in September added to our revenue base and complemented the low-season for the cultivation of shiitake mushrooms. This will become more significant as we reap the output from the combined 100,845 mu of moso bamboo plantations that we have leased to-date."

Future Outlook & Growth Strategies

For the rest of FY2015, we will focus on the execution of our two-pronged growth strategy of enlarging our moso bamboo plantation and strengthening our processed food segment.

With an enlarged moso bamboo plantation of 100,845 mu, our production of bamboo trees and spring and winter bamboo shoots will be significantly expanded. This is in line with our strategy of developing a second flagship product alongside shiitake mushrooms.

We will also continue to expand our sales network and product variety for our processed food products, including convenience food products, to capture the strong growth momentum in our domestic and overseas markets.

With our recent termination of the lease of 1,792 mu of shiitake mushroom cultivation farmland, the remaining 3,342 mu of cultivation bases will yield less shiitake mushrooms on a year-on-year basis. The fall in revenue contribution from shiitake mushrooms will be augmented by an increase in revenue contribution from moso bamboos.

*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", "第七庄园" and "第七元素", and are exported to overseas markets, mainly Japan, under our customers' brand names.

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