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## MEDIA RELEASE

### YAMADA ACHIEVED FY2014 FULL-YEAR EARNINGS OF RMB102.6 MILLION FROM GROWTH ACROSS ALL SEGMENTS

- Revenue rose 20.0% to RMB611.4 million from RMB509.2 million in FY2013.
- Sales from self-cultivated shiitake mushrooms rose 13.4% to RMB387.9 million from RMB341.8 million.
- Processed food products segment grew 24.4% to RMB192.1 million in FY2014.
- Lease moso bamboo plantation and started harvesting of moso bamboo shoots and bamboo shoots in FY2014.

Financial Highlights (RMB Million)	4Q2014	4Q2013	Change	FY14	FY13	Change
Revenue	81.4	55.8	+45.8%	611.4	509.2	+20.0%
Gross Profit	25.7	14.2	+80.1%	146.9	113.2	+29.6%
Gross Profit Margin (%)	31.5%	25.5%	+6.0 ppt	24.0%	22.2%	+1.8 ppt
Profit after Tax	17.3	0.20	+8631.3%	102.6	69.2	48.2%

Singapore, 28 August 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, moso bamboos, bamboo shoots 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 and full-year ended 30 June 2014 (“4Q2014” and “FY2014” respectively).

#### FY2014 Results Highlights

Our revenue increased by approximately RMB102.2 million or 20.0% to approximately RMB611.4 million in FY2014, from approximately RMB509.2 million during July 2012 to June 2013 (“FY2013”).

Our cultivation business segment reported an improved revenue of approximately RMB419.3 million in FY2014. This was increased by approximately RMB64.4 million or 18.1%, compared to RMB354.9 in FY2013.

Revenue generated from sales of self-cultivated shiitake mushrooms rose by approximately RMB46.1 million or 13.4% to RMB387.9 million in FY2014, from RMB341.8 million in FY2013. Favorable weather conditions during the harvesting period in our cultivation sites resulted in a satisfactory mushroom yields of approximately 54,380 tonnes in FY2014, compared to 50,650 tonnes in FY2013. The average selling price of self-cultivated fresh shiitake mushrooms was approximately RMB7.13 per kg in FY2014, up about 5.0% compared to FY2013.

Sales of black fungus increased by approximately RMB1.0 million or 7.6% to RMB14.1 million in FY2014 from RMB13.1 million in FY2013. We are currently operating 86 mu of black fungus cultivation bases with an annual production rate of approximately 2,800 tonnes.

We commenced harvesting of our self-cultivated bamboo shoots and moso bamboos during FY2014. We produced and sold 565,100 pieces of moso bamboos and 357 tonnes of winter bamboo shoots during the year, generating revenue of RMB13.0 million. During the harvesting season, we operated 11,302 mu of bamboo plantations in Pucheng County, Fujian Province. In May 2014, we expanded our moso bamboo plantations to 33,845 mu.

Revenue from processed food products business segment grew approximately RMB37.8 million or 24.4% to approximately RMB192.1 million in FY2014, from RMB154.3 million in FY2013. It was mainly due to higher sales in both domestic and Japanese markets during the year.

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

In tandem with the higher revenue, our gross profit increased by approximately RMB33.7 million or 29.6%, to approximately RMB146.9 million in FY2014 from approximately RMB113.2 million in FY2013.

Our overall gross profit margin rose to 24.0% in FY2014 from 22.2% in FY2013.

The gross profit margin of our cultivation business segment increased to 20.3% in FY2014 from 18.2% in FY2013. It was mainly attributable to a higher average selling price of shiitake mushrooms in FY2014. In addition, winter bamboo shoots and moso bamboos generated gross profit margin of approximately 35% to 40% in FY2014.

The gross profit margin for our processed food products business segment remained stable at 32.1% in FY2014 compared with 31.6% in FY2013. The variance resulted mainly from changes in product mix.

In tandem with the increase in revenue, FY2014 net profit after tax increased by RMB33.4 million or 48.2%, to RMB102.6 million in FY2014 from RMB69.2 million in FY2013.

Mr Chen Qiu Hai (陈秋海), Yamada's Executive Chairman and CEO, commented: "I am pleased that the Group delivered a sterling set of results for FY2014 with satisfactory revenue and net profit

“Our core segment – the self-cultivation business segment – benefitted from a improved climatic condition in FY2014 compared to FY2013 that led to a strong performance in self-cultivated shiitake mushrooms. At the same time, we are keenly aware of the need to broaden our segment revenue base and reduce the dominance of self-cultivated shiitake mushrooms in our product mix. Thus, we began investing in moso bamboo plantations in April 2013. We believe that moso bamboos are good complements to our current self-cultivated products in terms of harvesting period and resilience to climate changes.

“Our efforts in developing our processed food products have shown results in FY2014, with strong year-on-year revenue growth of 24.4% to RMB192.1 million as result of increased orders from our long-term customers.

“We will continue to develop both business segments to achieve two strong pillars of growth for the Group. We believe this will stand us in good stead in the competitive operating environment.”

### **Future Outlook & Growth Strategies**

In FY2015, the Group will continue to build on our strong foundations through our two-prong growth strategy.

Firstly, we will constantly review opportunities to expand our bamboo plantation business segment. We currently have a total plantation area of 33,845 mu, of which 22,543 mu were added after our FY2014 moso bamboo harvesting season. In FY2015, with an enlarged moso bamboo plantation, our total yield of spring bamboo, winter bamboo and moso bamboos will likely increase. We expect this business segment will continue to be the main growth driver of our Group’s revenue.

Secondly, we will continue to strengthen and capitalise on our efforts in developing new convenience food products and improving our product mix in the processed food segment. This will allow us to better capture the growth in this segment arising from increasing urbanisation and greater health-consciousness among the middle- and upper-income consumers.

We believe demand for our main growth driver, our self-cultivated edible fungi, will continue to remain healthy. Shiitake mushrooms, in particular, are widely recognised as one of the most popular edible mushrooms in the PRC due to its favourable taste and health benefits.

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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**About Yamada Green Resources Limited**

Yamada is a major grower, manufacturer and supplier of natural and healthy food products in Fujian Province, PRC. Our products consist of two major segments: self-cultivated segment and processed food segment. Yamada's self-cultivated products are shiitake mushrooms and bamboo shoots which 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.

As a key upstream player, we own shiitake mushroom cultivation bases, eucalyptus plantations and moso bamboo plantations, which allows Yamada to have better control of the production and ensure that the quality of our produces is consistent.

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