



Yamada Green Resources Limited
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MEDIA RELEASE

YAMADA RECORDED 9M2014 EARNINGS AT RMB85.3 MILLION ON REVENUE OF RMB530.0 MILLION, SURPASSING FY2013's EARNINGS AND REVENUE.

- *Revenue increased by 16.9%, by RMB76.7million;*
- *Gross profit increased 22.4% by RMB22.2million;*
- *Profit after Tax increased by 23.6%, by RMB16.3million.*

Financial Highlights (RMB' Million)	3 months ended March 2014 ("3Q2014")	3 months ended March 2013 ("3Q2013")	Changes	9 months ended March 2014 ("9M2014")	9 months ended March 2013 ("9M2013")	Changes
Revenue	257.2	240.7	6.8%	530.0	453.3	16.9%
Gross Profit	50.6	60.9	(16.9%)	121.2	99.0	22.4%
Gross Profit Margin (%)	19.7	25.3	(5.6 ppt)	22.9	21.8	1.1 ppt
Profit after Tax	39.0	51.3	(23.9%)	85.3	69.0	23.6%
Earnings per share – basic (RMB cents)						
* Based on 498,452,175 shares	7.0*	12.0**	(5.0 cents)	17.0*	16.0**	0.6 cents
** Based on 410,935,175 shares						

Singapore, 15 May 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 third quarter ("3Q2014") and nine months ended 31 March 2014. ("9M2014")

Results Highlights

Revenue Highlights

Our revenue increased by RMB76.7 million or 16.9%, to RMB530.0 million in 9M2014 from RMB453.3 million achieved in the corresponding period last year ("9M2013").

Our cultivation business segment grew by RMB50.4 million or 14.9% and recorded sales of RMB388.7 million in 9M2014.

The growth was contributed mainly by increased in sales of self-cultivated shiitake mushrooms by RMB32.0 million or 9.8% to RMB357.3 million in 9M2014, from RMB325.3 million in 9M2013. Favorable weather condition during the harvesting period in our cultivation sites resulted in a satisfactory mushroom yield of approximately 50,500 tonnes in 9M2014 as compared to 48,000 tonnes in 9M2013. The average selling price of self-cultivated fresh shiitake mushrooms was approximately RMB7.1 per kg in 9M2014, up about 4.5% as compared to the same period in the last financial year.

In addition, we commenced harvesting our self-cultivated winter bamboo shoots and moso bamboos during 9M2014. We produced and sold 565,100 pieces of moso bamboos and 357 tonnes of winter bamboo shoots during the period, resulting in a revenue of RMB13.0 million in 9M2014. Currently, we operate 11,032 mu* of bamboo plantations in Pucheng County, Fujian Province.

Sales of black fungus rose by RMB1.0 million or 7.6% to RMB14.1 million in 9M2014 from RMB13.1 million in 9M2013. We currently operate 86 mu* of black fungus cultivation bases with an annual production rate of approximately 2,800 tonnes.

Revenue from processed food products business segment increased by RMB26.3 million or 22.9% to RMB141.2 million in 9M2014, from RMB115.0 million in 9M2013. It was mainly due to higher sales in both domestic and overseas markets during the period.

Gross profit and gross profit margin

In tandem with the higher revenue, our gross profit grew RMB22.2 million or 22.4% to RMB121.2 million in 9M2014, from RMB99.0 million in 9M2013.

Our overall gross profit margin rose slightly to 22.9% in 9M2014, from 21.8% in 9M2013. This is due to increase in the gross profit margin of our cultivation business segment from 18.7% in 9M2013 to 19.6% in 9M2014, arising from a higher average selling price of shiitake mushrooms.

Moreover, our winter bamboo shoots and moso bamboos continued to maintain gross profit margin of approximately 40% to 50% in 9M2014. The increased in gross margin was partly offset by rising costs of labour and synthetic logs made of frutex by farmers.

The gross profit margin for our processed food products business segment remained stable at 31.9% in 9M2014 as compared to 31.2% in 9M2013.

Other Operating income

Other operating income comprises mainly government grants and subsidies, interest income, rental income and other miscellaneous gains.

Other Operating Expenses

Other operating expenses are primarily maintenance cost of eucalyptus plantations and foreign exchange loss. It decreased by RMB0.7 million or 9.4% to RMB6.7 million in 9M2014 due to lower maintenance costs incurred as the eucalyptus plantations matures and decline in foreign exchange loss.

Mr Chen Qiuhai (陈秋海), Yamada's Executive Chairman and CEO, commented: "We are pleased to deliver a set of strong results for 9M2014. We will continue to strengthen the Group's research & development capabilities and expand our product range."

We are also confident that our divestment into Moso bamboos plantation will improve the Group's future performance"

Future Outlook

The Group continues to review the opportunities of expanding its bamboo plantation business segment. With a balanced approach in our growth strategy, we have diversified into Moso bamboo business and recently added 22,543 mu* of Moso bamboo plantation to our current Moso bamboo plantation area of 11,032 mu*, giving the Group a total plantation area of 33,575 mu*.

The addition of new Moso bamboo plantation will further harness our upstream resource sustainability. For instance, the Group could secure constant supply of spring bamboo shoots, which is one of the main ingredients for the Group's processed food products, from the plantation. Further, the bamboo trees, which are used in a variety of applications such as building and renovation materials and in textile, paper and pulp industries, will generate additional income stream to the Group. The Management is of the opinion that diversification into this segment is necessary to reduce the Group's reliance on the shiitake mushroom segment as the main revenue driver.

We are also directing our efforts to develop new products as well as improving our product mix in the processed food segment in order to cater to the changing tastes of consumers and capture the growth in this segment.

The Management will continue to prudently implement the above strategies for the benefit of the Group and the shareholders.

Barring unforeseen circumstances, the Management expects the Group to remain profitable in FY2014.

*1 mu approximates 667 square meters

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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.

For more information, please visit www.yamada-green.com

For further enquiries, please contact:

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