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MEDIA RELEASE

YAMADA POSTED 3Q2016 EARNINGS OF RMB7.3 MILLION FROM REVENUE OF RMB106 MILLION

- **Revenue decreased by 46.5% to RMB106 million from RMB198.1 million in 3Q2015.**
- **Net earnings reduced from RMB34.6 million in 3Q2015 to RM7.3 million**

Financial Highlights (RMB Million)	3Q2016	3Q2015	Change (%)	9M2016	9M2015	Change (%)
Revenue	**106.0**	**198.1**	(46.5)	**276.3**	**430.7**	(35.8)
Gross Profit	**11.4**	**45.6**	(75.1)	**44.2**	**105.0**	(57.9)
Gross Profit Margin (%)	**10.7**	**23.0**	(12.3) ppt	**16.0**	**24.4**	(8.4) ppt
Profit after Tax	**7.3**	**34.6**	(79.0)	**17.8**	**61.5**	(71.1)

Singapore, 13 May 2016 – 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, moso bamboo trees and bamboo shoots as well as a manufacturer and distributor of processed food products in Fujian Province, People’s Republic of China (“PRC”), wishes to announce our financial results for the third quarter and nine months ended 31 March 2016 (“3Q2016” and “9M2016”).

3Q2016 Results Highlights

Revenue

Our revenue decreased by approximately RMB92.1 million or 46.5%, to approximately RMB106.0 million during January to March 2016 (“3Q2016”) from approximately RMB198.1 million during the same period in 2015 (“3Q2015”).

Sales of our self-cultivated shiitake mushrooms was approximately RMB38.7 million in 3Q2016, which decreased by approximately RMB83.0 million or 68.2% from approximately RMB121.7 million in 3Q2015. There were 6,630 tons of shiitake mushrooms sold in 3Q2016 compared to approximately 17,400 tons in 3Q2015. It was primarily attributable to scaling back of our shiitake mushroom cultivation farmland from 3,342 mu in 3Q2015 to 1,184 mu in 3Q2016. The average selling price of our fresh shiitake mushroom decreased to approximately RMB5.9 per kg from approximately RMB7.1 per kg in the same period last year. This was mainly as a result of slowdown in the economy in China and also the oversupply of shiitake mushroom in domestic markets during the period.

The loss of revenue in our shiitake mushroom business was partilally mitigated by increased sales in our bamboo business line, on account of the expansion of our moso bamboo plantations. In 3Q2016, we operated 115,992 mu of bamboo plantations compared to 100,845 mu in 3Q2015. Revenue from our bamboo business increased by approximately RMB2.2 million or 6.7% to approximately RMB35.0 million in 3Q2016, from approximately RMB32.8 million in 3Q2015. There were approximately 17,210 tons of bamboo shoots harvested in 3Q2016, in contrast to approximately 14,850 tons of bamboo shoots harvested during 3Q2015. Out of the bamboo shoots harvested in 3Q2016, approximately 15,500 tons of bamboo shoots were sold to external parties.

Sales from the processed food products business segment decreased by approximately RMB11.4 million or 26.1%, to approximately RMB32.2 million in 3Q2016 from approximately RMB43.6 million in 3Q2015. This was mainly due to a decline in domestic sales of processed mushrooms. We reduced the production quantity of processed mushrooms in 3Q2016 because of increases in costs of raw material and labour of processed mushrooms without corresponding increases in the average selling price of processed mushrooms.

Gross profit and gross profit margin

Our gross profit decreased by approximately RMB34.2 million or 75.1%, to approximately RMB11.4 million in 3Q2016 from approximately RMB45.6 million in 3Q2015. The overall gross profit margin decreased to 10.7% in 3Q2016 compared to 23.0% in 3Q2015.

The gross profit margin of our cultivation business segment decreased to 4.1% in 3Q2016 from 19.5% in 3Q2015. It was mainly attributable to increased costs of cultivation, including labour costs of producing mushroom logs and harvesting shiitake mushrooms, and maintenance costs for bamboo plantations. However, there was no corresponding increases in the average selling prices of the shiitake mushrooms and bamboo shoots.

The gross profit margin of our processed food products business segment slightly slipped to 35.1% in 3Q2016 compared to 35.6% in 3Q2015, mainly due to higher costs of raw materials and labour.

Future Outlook & Growth Strategies

In the face of the challenging operating environment in China, we will continue to focus on our fundamental business and cautiously proceed with our business development.

Following the leasing of another 13,704 mu of bamboo plantations in January 2016, we have expanded our bamboo plantations to a total of 129,696 mu. We will commence harvesting of bamboo tress and bamboo shoots from our newly acquired plantations in the next financial year and expect the bamboo business to continue to contribute positively to the Group’s earnings.

Additionally, part of the Group’s earnings in 9M2016 was derived from an investment in our associated company which engages in cultivation and food processing business activities. We expect the investment to enhance our bamboo processing capabilities and to achieve potential cost savings for our processing business segment.

We launched an E-commerce platform in January this year to promote sales of our processed food products, particularly our new konjac-based convenience food products. We have started receiving orders online. By setting up the E-commerce platform, we aim to expand our customer base and increase awareness of our products. We expect the E-commerce platform to strengthen our sales and distribution system by accelerating and streamlining our selling processes from placing orders to delivery of goods.

The Management will continue to closely monitor the Group's operations amid the intense competition in the food and beverage industry.

*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.

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