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MEDIA RELEASE

YAMADA RECORDED 1Q2016 EARNINGS OF RMB3.1 MILLION FROM REVENUE OF RMB55.2 MILLION

- **Revenue decreased by 1.3% to RMB55.2 million from RMB55.9 million in 1Q2015.**
- **Net earnings reduced from RMB4.8 million to RM3.1 million**

Financial Highlights	1Q2016	1Q2015	Change (%)
Revenue (RMB Million)	**55.2**	55.9	(1.3)
Gross Profit (RMB Million)	**14.1**	18.1	(22.1)
Gross Profit Margin (%)	**25.6%**	32.4%	(6.8)ppt
Profit after Tax (RMB Million)	**3.1**	4.8	(36.0)

Singapore, 30 October 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, 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 first quarter ended 30 September 2015 ("1Q2016").

1Q2016 Results Highlights

Revenue

Our revenue declined slightly by approximately RMB0.7 million or 1.3% to approximately RMB55.2 million in 1Q2016, from approximately RMB55.9 million for the quarter ended 30 September 2014 ("1Q2015"). The revenue was derived from sales of processed food products and moso bamboo trees in 1Q2016.

Sales of our moso bamboo trees was approximately RMB15.4 million, increased by approximately RMB9.6 million in 1Q2016 from approximately RMB5.8 million in 1Q2015. There were approximately 32,130 tonnes of moso bamboo trees sold in 1Q2016 compared to 11,360 tonnes in 1Q2015, representing an almost threefold increase. It was mainly attributable to an expansion of our bamboo plantations. During the harvesting season, we harvested moso bamboo trees from approximately 100,845 mu of bamboo plantations in 1Q2016 compared to approximately 33,845 mu in 1Q2015.

Sales of our processed food products was approximately RMB39.8 million in 1Q2016, decreased by approximately RMB10.3 million or 20.6% from approximately RM50.1 million in 1Q2015. This was mainly due to lower domestic sales of processed mushrooms. As a result of increases in cost of raw material and labour of processed mushrooms while the selling price of the processed mushrooms did not increase in tandem, we reduced the production and sales quantity of our processed mushrooms. Furthermore, production volume of the existing konjac-based dietary fibre food products also decreased subsequent to the changes in our production and sales strategy in the domestic market.

Gross profit and gross profit margin

Our gross profit decreased by approximately RMB4.0 million or 22.1% to approximately RMB14.1 million from approximately RMB18.1 million in 1Q2015.

The overall gross profit margin declined to 25.6% in 1Q2016 from 32.4% in 1Q2015.

The gross profit margin of our bamboo business was 21.6% in 1Q2016 compared to 34.3% in 1Q2015. This was primarily due to increased amortization of the prepaid lease and maintenance costs of plantations incurred in 1Q2016 for the 15,147 mu of bamboo plantations which was newly-leased in June 2015, however, we have not commenced harvesting of moso bamboo trees from these plantations in 1Q2016. As a result, the average production costs of the moso bamboo trees were higher than 1Q2015. During the period, we proceeded with maintenance work on this 15,147 mu of plantations in order to improve the condition of the plantations for cultivation. We expect to commence the harvesting of bamboo shoots from these bamboo plantations in the next quarter of this financial year.

The gross profit margin of our processed food product business segment decreased to 27.1% in 1Q2016 from 32.2% in 1Q2015, mainly due to higher costs of raw materials and labour.

Future Outlook & Growth Strategies

Despite moderating economic growth in China as well as the volatile global economic landscape, we will continue to strengthen our core business in line with our comprehensive business growth strategy.

After the expansion of our bamboo plantations, we currently operate 115,992 mu* of bamboo plantations. We expect to harvest bamboo shoots from these bamboo plantations from the second quarter until the fourth quarter in this financial year. Therefore, the yield from our bamboo plantations in FY2016 is expected to be higher than previous years.

We are also in the process of adjusting our production and domestic sales and marketing plan as part of our business development strategy. We have reduced the production volume of existing low margin processed food products and aim to launch new konjac-based convenience food products in the near future. Furthermore, we will continue to improve consumer brand awareness of our products and expand the sales and distribution network in this business segment.

Barring unforeseen circumstances and global unstable economic environment, the Group remains cautiously optimistic about its performance for FY2016.

*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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