



Yamada Green Resources Limited
 Houyu Food Industry Zone
 Jingxi Town, Minhou County
 Fuzhou City, Fujian Province, PRC 350101
www.yamada-green.com

MEDIA RELEASE

YAMADA RECORDED NET PROFIT OF RMB16.7 MILLION ON REVENUE OF RMB179.6 MILLION FOR 2Q2013

- *2Q2013 revenue slipped 17.7% as a result of reduced production yield of shiitake mushrooms and lower export sales of processed food products*
- *Lower gross profit margin attributable to rising cost of raw materials and lower average selling price of shiitake mushrooms*
- *Self-cultivated edible fungi products contribution accounted for 77.4% of the Group's revenue in 2Q2013*

Financial Highlights (RMB Million)	2Q2013	2Q2012	Changes	6 months ended Dec 2012 ("HY2013")	6 months ended Dec 2011 ("HY2012")	Changes
Revenue	179.6	218.2	-17.7%	212.6	251.9	-15.6%
Gross Profit	28.4	88.3	-67.8%	38.1	99.9	-61.9%
Gross Profit Margin (%)	15.8%	40.5%	-24.7ppt	17.9%	39.6%	-21.7ppt
Profit after Tax	16.7	73.2	-77.2%	17.7	77.4	77.1%
Earnings per share—basic (RMB cents) * Based on 410,935,175 shares ** Based on 406,595,175 shares	4.1*	18.0**	-13.9	4.3*	19.0**	-14.7

Singapore, 5 February 2013 – 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 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 second quarter (“2Q2013”) and half year ended 31 December 2012 (“HY2013”).

Results Highlights

Our revenue decreased by approximately RMB38.6 million, from approximately RMB218.2 million during October to December 2011 ("2Q2012") to approximately RMB179.6 million in 2Q2013, a fall of approximately 17.7%.

The decrease was mainly due to lower sales of self-cultivated shiitake mushrooms of approximately RMB35.9 million, from approximately RMB168.1 million in 2Q2012 to RMB132.2 million in 2Q2013. We currently operate approximately 5,134 mu of shiitake mushrooms cultivation bases. We produced and sold approximately 25,000 tonnes of self-cultivated shiitake mushrooms in 2Q2012 as compared to approximately 20,500 tonnes in 2Q2013. The lower yield in 2Q2013 was mainly the result of unfavourable weather conditions at the cultivation sites during the period. The unusually cold winter season also affected adversely the quality of the shiitake mushrooms. The average unit selling price of self-cultivated fresh shiitake mushrooms was approximately 4% to 5% lower compared to the same period in the last financial year.

Sales generated from fresh black fungus in 2Q2013 were approximately RMB6.8 million as compared to RMB6.4 million in 2Q2012. We currently operate approximately 86 mu of black fungus cultivation bases.

Sales of processed food products were lower by approximately RMB3.1 million, from approximately RMB43.7 million in 2Q2012 to RMB40.6 million in 2Q2013. It was mainly due to lower export sales to Japan.

Gross profit and gross profit margin

Our gross profit decreased by approximately RMB59.9 million or 67.8%, from approximately RMB88.3 million in 2Q2012 to approximately RMB28.4 million in 2Q2013 as results of lower revenue and profitability.

Our overall gross profit margin declined to 15.8% in 2Q2013 as compared to 40.5% in 2Q2012.

The gross profit margin for our self-cultivation business segment decreased from approximately 42.2% in HY2012 to approximately 11.8% in HY2013 which was mainly due to the rising raw material cost of synthetic logs while the average selling price of edible fungi did not increase.

The gross profit margin for our processed food products business segment decreased from approximately 33.3% in 2Q2012 to approximately 28.8% in 2Q2013 which was mainly due to fluctuation in products mix.

Operating Income

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

Operating Expenses

Selling and distribution expenses decreased by approximately RMB0.7 million or 33.9%, from approximately RMB2.1 million in 2Q2012 to approximately RMB1.4 million in 2Q2013. In 2Q2012 we engaged a brand consulting firm for branding, repositioning and marketing our konjac-based dietary fibre food products in PRC market. The termination of the consultancy in 2Q2013 resulted in some savings. However, the savings were partially offset by the increase in salaries as a result of higher headcount of sales and marketing staff.

Administrative expenses decreased by approximately RMB4.5 million or 48.8%, from RMB9.1 million in 2Q2012 to RMB4.6 million in 2Q2013. The higher administrative expenses in 2Q2012 resulted from the approximately RMB3.5 million in share-based payment under Yamada Performance Share Plan (the "Plan").

Other operating expenses are mainly maintenance cost of eucalyptus trees in our plantation forest and foreign exchange loss. The increase by approximately RMB1.8 million or 95.4%, from RMB2.0 million in 2Q2012 to RMB3.8 million in 2Q2013 was due to the additional maintenance cost for approximately 20,936 mu of eucalyptus trees which was acquired in January 2012.

Future Outlook

The Group expects to obtain the logging licence for harvesting of eucalyptus plantations by early this year. Once we obtain the licence, we will commence progressive harvesting of eucalyptus trees to produce sawdust which is the major raw materials for the synthetic logs for our shiitake mushrooms harvest season from FY2014 onwards. We aim at more efficient control of our production costs by enhancing our upstream resource sustainability.

The weather conditions at our cultivation sites have improved since early January this year. It should have a positive impact on the yield of our edible fungi. Besides, we also benefit from rising consumer demand for shiitake mushrooms in the PRC ahead of the Lunar New Year.

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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About Yamada Green Resources Limited

Yamada is a major grower and supplier of edible fungi, operating one of the largest shiitake mushrooms cultivation bases of approximately 5,100 mu in Fujian Province, PRC. Yamada possesses potential upstream resource sustainability with its eucalyptus plantations of approximately 51,000 mu. The sawdust made from eucalyptus trees will be raw materials to produce synthetic logs used in cultivation of edible fungi in the near future.

Yamada's products include self-cultivated edible fungi, which are mainly sold as fresh produce to wholesalers of agricultural food products in PRC. Yamada is also manufacturer and supplier of processed food products, such as processed mushrooms, processed vegetables and konjac-based dietary fibre food products. Its processed food products are sold in major cities in PRC, such as Shanghai, Xiamen, Fuzhou and Chongqing under its trademarked brands, such as “旺成食品”, “研食坊”, “第七庄园” and “第七元素”. Yamada also exports its processed food products to mainly Japan under its customers' own brands.

For enquiries, please contact:
Ms Chew Kim Kuan, Investor Relations Manager
Yamada Green Resources Limited
Email : chewkimkuan@yamada-green.com
Contact : +65-9798 5385