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MEDIA RELEASE

YAMADA FY2011 NET PROFIT UP 15.6% TO RMB69.6 MILLION ON REVENUE OF RMB216.3 MILLION

- *FY2011 revenue rose 30.4% on strong demand for self-cultivated edible fungi products such as shiitake mushrooms and black fungus*
- *Sales of self-cultivated edible fungi surged 50.2% to RMB144.8 million in FY2011 due to higher selling price and progressive expansion of cultivation farm lands*
- *Contribution of RMB9.1 million from newly leased black fungus cultivation base in FY2011*
- *Higher margin self-cultivated edible fungi products contribution to Group revenue rose to 66.9% in FY2011 from 58.1% in 2H2010*
- *Expect positive contribution to Group earnings in 2012 and 2013 from on-going expansion of shiitake mushroom cultivation bases which increased significantly by 96.4% to 5,134 mu from 2,614 mu since June 2011*

Financial Highlights (RMB Million)	6 months ended June 2011 ("FY2011")	6 months ended June 2010 ("2H2010")	Change
Revenue	216.3	165.8	30.4%
Gross Profit	90.2	73.9	22.0%
Gross Profit Margin (%)	41.7	44.6	-2.9ppt
Profit after Tax	69.6	60.2	15.6%

Singapore, 28 October 2011 – 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 financial year ended 30 June 2011 ("FY2011").

The Company changed its financial year end from 31 December to 30 June. The current financial year covers a period of six months from 1 January 2011 to 30 June 2011 (“FY2011”). For the purpose of this announcement, the review of performance for FY2011 has been compared with the six months ended 30 June 2010 (“2H2010”).

FY2011 Results Highlights

For FY2011, Yamada posted a net profit after tax of RMB69.6 million, up 15.6% from RMB60.2 million in the same period last year (“2H2010”). The Group continued to remain profitable on the back of increased orders for self-cultivated edible fungi which comprised shiitake mushrooms and black fungus.

In FY2011, the Group recorded a 30.4% jump in revenue to RMB216.3 million from RMB165.8 million in 2H2010 on higher sales for both key product segments, namely self-cultivated edible fungi and processed food products.

Sales of self-cultivated edible fungi surged 50.2% to RMB144.8 million in FY2011 from RMB96.4 million in 2H2010. The higher sales of self-cultivated edible fungi were largely due to the fact that in FY2011, Yamada operated on a larger shiitake mushroom cultivation base of approximately 2,614 mu* compared with approximately 2,213 mu in 2H2010. Yamada also benefited from the maiden contribution of RMB9.1 million in sales from newly leased black fungus cultivation base and higher average selling price of fresh self-cultivated shiitake mushrooms, which rose 4.6% to RMB6.8 per kg in FY2011 from RMB6.5 per kg in 2H2010.

Sales of processed food products also increased by 3.2% to RMB71.6 million in FY2011 from RMB69.4 million in 2H2010. This was mainly due to growing domestic sales of konjac-based dietary fibre food products which increased approximately 11.2% to RMB17.9 million in FY2011 as a result of rising demand in PRC market as well as our continuous promotional efforts in the PRC market. Export sales of processed food products remained relatively stable at approximately RMB44.1 million in FY2011.

In tandem with higher Group revenue, FY2011 gross profit jumped 22% to RMB90.2 million from RMB73.9 million in 2H2010. The gross profit margin contracted to 41.7% in FY2011 from 44.6% in 2H2010. This was mainly attributable to rising raw material cost of our processed food as well as higher cost of synthetic logs of self-cultivated shiitake mushrooms and relatively lower gross profit margin of black fungus at approximately 40.5%. However, as a result of food inflation in the PRC, the increase in raw material costs were partly mitigated by the upward adjustment to our selling price of self-cultivated shiitake mushrooms in FY2011.

Growing Contribution From Higher Margin Segment

Driven by stronger growth momentum for self-cultivated shiitake mushrooms and new contribution from black fungus, self cultivated edible fungi products which commanded higher margins compared to processed food products saw higher contribution to Group revenue, rising to 66.9% of Group revenue in FY2011 compared to 58.1% in 2H2010. Processed food products contribution to Group's revenue declined to 33.1% in FY2011 from 41.9% in 2H2010.

Fair value of our eucalyptus trees up by 123.2% or RMB2.8 million from RMB2.2 million in 2H2010. The gain from changes in biological assets mainly stem from our expansion of eucalyptus plantations by 51% to 30,257 mu in FY2011 compared to 20,035 mu in 2H2010. In addition, the increase in plantation density of our eucalyptus trees plantations as the trees matured in FY2011 also led to higher fair value of our eucalyptus trees.

Selling and distribution expenses increased by approximately RMB1.0 million or 62.4%, from RMB1.5 million in 2H2010 to RMB2.5 million in FY2011. This was mainly due to increase in expenses paid to engage brand consulting firm for branding, repositioning and marketing our konjac-based dietary fibre food products in PRC market.

Administrative expenses increased by approximately RMB8.8 million or 190.1%, from RMB4.6 million in 2H2010 to RMB13.4 million in FY2011. This was mainly attributable to the increase in R & D expenses, salaries and salary-related costs such as directors' remuneration, directors' fee and social insurance contributions, additional depreciation and amortization costs incurred during non-cultivation season and other incidental costs related to increased activities followed by our listing on SGX-ST in October 2010.

Mr Chen Qiuhai (陈秋海), Yamada's Executive Chairman and CEO, commented: "We are delighted to report a healthy set of results which reflected strong growth momentum from our higher margin self-cultivated edible fungi products segment, leading to a positive shift in our product mix."

"Looking ahead, I expect sales momentum of self-cultivated edible fungi products, especially shiitake mushrooms to remain strong and contribute positively to Group earnings in 2012 and 2013. This is due to our on-going expansion plans for shiitake mushroom cultivation bases which increased significantly by 96.4% to 5,134 mu from 2,614 mu since June 2011. The recently leased cultivation bases will be ready in time for the coming harvest season for shiitake mushrooms between late September 2011 and April 2012 ."

Future Outlook & Growth Strategies

As a result of growing affluence of the PRC population as well as the greater emphasis towards green and healthy foods, this is expected to underpin demand for some of the key products of the Group such as edible fungi and konjac-based dietary fibre food products.

As at 30 June 2011, the Group has achieved its target by doubling shiitake mushrooms cultivation bases to approximately 5,134 mu compared to approximately 2,614 mu at the beginning of FY2011. The newly leased agricultural land is expected to contribute positively to Group earnings for the financial year ended 30 June 2012 as they will be ready in time for the coming harvest season between late September 2011 and April 2012.

In a bid to expand sales network outside Fujian Province, the Group has set up 12 fresh shiitake mushrooms distribution outlets since October 2011. By moving down the supply chain through the setting up of new distribution outlets, the Group believes that it will be in a better position to manage and drive its sales and marketing efforts and promote the sales of self-cultivated fresh shitake mushrooms.

The Group is devoted to managing rising costs of raw materials and labour in China. From 2012 onwards, the Group will commence partial utilisation of its own eucalyptus trees to produce sawdust which are the raw material for the synthetic logs used in the cultivation of shiitake mushrooms, this may lead to potential cost savings. In addition, the Group continues to benefit from the seasonal complementary arrangement for cultivation of shiitake mushrooms as the agricultural land is only leased for seven months of harvesting season in each year. As a result, the labour costs are minimised since the Group is not required to maintain a large number of full-time employees.

To capitalise on potential growth opportunities, the Group will continue to implement its growth strategies such as expansion of edible fungi cultivation bases, expansion of distribution network, expansion of konjac-based dietary fibre food products range and securing additional upstream supply of sawdust for cultivation of edible fungi.

Barring unforeseen circumstances, the Group remains optimistic about its performance in FY2012.

*1 mu is equivalent to approximately 667 square metres

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About Yamada Green Resources Limited Yamada is a major supplier of edible fungi, operating one of the largest shiitake mushrooms cultivation bases of approximately 5,134 mu in Fujian Province, PRC. Yamada possesses potential upstream resource sustainability with its eucalyptus plantations of approximately 30,000 mu, which can be harvested from 2012 onwards. The sawdust from the eucalyptus trees are the raw material for the synthetic logs used in the cultivation of shiitake mushrooms.

Yamada's products include self-cultivated edible fungi, which are mainly sold as fresh produce to wholesalers of agricultural food products in PRC and processed food products such as mushrooms, vegetable and konjac-based dietary fibre food products (mainly convenience food products). Its processed food products are sold in major cities in PRC such as Shanghai, Xiamen, Shenzhen and Guangzhou under its trademarked brands such as “旺成食品”, “研食坊” and “懒人厨房”.

Yamada also exports its processed food products to overseas mainly Japan under its customers' own brands.

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