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MEDIA RELEASE

YAMADA 1Q2012 EARNINGS SURGES 96.6% TO RMB4.2 MILLION ON REVENUE OF RMB33.8 MILLION

- *1Q2012 net profit surged 96.6% on higher average selling prices and lower raw material costs for processed food products*
- *Gross profit margin improved from 29.5% to 34.5% in 1Q2012*
- *Expect positive contribution to Group earnings in FY2012 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)	3 months ended September 2011 ("1Q2012")	3 months ended September 2010 ("1Q2011")	Change
Revenue	33.8	32.7	3.1%
Gross Profit	11.6	9.7	20.2%
Gross Profit Margin (%)	34.5	29.5	5.0ppt
Profit after Tax	4.2	2.1	96.6%

Singapore, 11 November 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 first quarter ended 30 September 2011 ("1Q2012").

1Q2012 Results Highlights

For 1Q2012, Yamada recorded a net profit after tax of RMB4.2 million, up 96.6% from RMB2.1 million in the same period last year (“1Q2011”). Despite the low season for self-cultivated edible fungi in 1Q2012, the Group managed to double its profit year-on-year on the back of increased average selling price and decline in raw material costs of processed food products.

In 1Q2012, the Group posted a 3.1% increase in revenue to RMB33.8 million from RMB32.7 million in 1Q2011. The demand for processed foods products, such as processed mushrooms, processed vegetables and konjac-based dietary fibre food products which are mainly convenience food products remained relatively constant in 1Q2012.

As a result of the increase in Group revenue and improvement in gross profit margin, 1Q2012 gross profit rose RMB1.9 million or 20.2% to RMB11.6 million from RMB9.7 million in 1Q2011. The Group’s gross profit margin improved to 34.5% in 1Q2012 from 29.5% in 1Q2011. This was mainly attributable to higher average selling price of our processed food as well as decrease in cost of raw materials, especially for dried shiitake mushrooms and bamboo shoots whereby the cost of raw materials have been declining over a period of time from their peak in November 2010.

Selling and distribution expenses increased by RMB1.9 million or 255.3%, from RMB0.7 million in 1Q2011 to RMB2.6 million in 1Q2012. This was mainly due to increase in advertisement costs relating to our new konjac-based dietary fibre food products and expenses paid to engage brand consulting firm for branding, repositioning and marketing our konjac-based dietary fibre food products in PRC market.

Administrative expenses decreased by approximately RMB0.5 million or 14.9%, from RMB3.4 million in 1Q2011 to RMB2.9 million in 1Q2012. This was mainly due to higher expenses relating to the preparation of our initial public offering exercise incurred in 1Q2011, which is one-off in nature.

Maintenance cost of eucalyptus trees in our plantation forests have been declining after they grow to 4 years or above. As a result, other operating expenses decreased by RMB0.8 million or 44.4% from RMB1.7 million in 1Q2011 to RMB0.9 million in 1Q2012.

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 steady growth and expansion in profit margin in our processed food products segment.”

“As we enter the seasonally stronger period for harvesting and sales of self-cultivated edible fungi products, we should look forward to a better performance. Overall, I expect sales momentum of self-cultivated edible fungi products, especially shiitake mushrooms to remain strong and contribute positively to Group

earnings for the full year in 2012. 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. Presently, all the leased cultivation bases are being used for harvest season of shiitake mushrooms between late September 2011 and April 2012.”

Future Outlook & Growth Strategies

Domestic demand for the Group’s key products, such as edible fungi and konjac-based dietary fibre food products trends upward on the back of rising disposable income in PRC as well as higher consumption in green and healthy foods. According to the report from Department of Agriculture Fujian Province, forecast for demand of fresh shiitake mushrooms in PRC for 2011 and 2012 will increase to 1.59 million tonnes and 1.82 million tonnes respectively.

Since 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 are currently used for cultivation of shiitake mushrooms for the harvest season between late September 2011 and April 2012.

Yamada endeavors to expand its sales network outside Fujian Province. The Group has set up 12 fresh shiitake mushrooms distribution outlets, mostly in Jiangsu, Zhejiang, Shanghai and Guangdong Province 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 shiitake mushrooms.

From FY2013 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 execute 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 to produce the synthetic logs 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

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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