



Yamada Green Resources Limited

(Company Registration No. 201002962E)
(Incorporated in the Republic of Singapore)

Unaudited Financial Statements And Dividend Announcement for The Third Quarter and Nine Months Ended 31 March 2012

Yamada Green Resources Limited (the "Company") was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 8 October 2010. The initial public offering of the Company was sponsored by DMG & Partners Securities Pte Ltd (the "Issue Manager"). The Issue Manager assumes no responsibility for the contents of this announcement.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<u>The Group</u>	3 Months Ended			9 Months Ended		
	31 Mar 2012 RMB'000	31 Mar 2011 RMB'000	Change %	31 Mar 2012 RMB'000	31 Mar 2011 RMB'000	Change %
Revenue	242,882	164,033	48.1	494,830	312,149	58.5
Cost of sales	(147,805)	(90,412)	63.5	(299,859)	(181,243)	65.4
Gross profit	95,077	73,621	29.1	194,971	130,906	48.9
<i>Gross profit margin</i>	39.1%	44.9%	(5.8 ppt)	39.4%	41.9%	(2.5 ppt)
Other operating income	120	87	37.9	276	4,330	(93.6)
Gain from changes in fair value of biological assets	-	-	n/m	-	14,589	n/m
Selling and distribution expenses	(1,998)	(2,673)	(25.3)	(6,727)	(4,235)	58.8
Administrative expenses	(7,167)	(4,321)	65.9	(19,087)	(25,589)	(25.4)
Other operating expenses	(2,162)	(2,233)	(3.2)	(4,288)	(5,555)	(22.8)
Profit before income tax	83,870	64,481	30.1	165,145	114,446	44.3
Income tax expense	(2,384)	(1,348)	76.9	(6,215)	(8,163)	(23.9)
Profit after income tax	81,486	63,133	29.1	158,930	106,283	49.5
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation reserve	454	1,277	(64.4)	(116)	542	n/m
Total comprehensive income for the financial period	81,940	64,410	27.2	158,814	106,825	48.7

n/m – not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

The Group's total comprehensive income for the financial period is derived after charging/(crediting):

	3 Months Ended			9 Months Ended		
	31 Mar 2012 RMB'000	31 Mar 2011 RMB'000	Change %	31 Mar 2012 RMB'000	31 Mar 2011 RMB'000	Change %
Amortisation of land use rights	555	296	87.5	1,143	790	44.7
Amortisation of biological assets	95,174	47,911	98.6	174,507	77,330	125.7
Amortisation of prepayment	4,682	943	396.5	8,598	943	811.8
Depreciation of property, plant and equipment	1,590	931	70.8	3,872	2,265	70.9
Exchange (gain)/loss, net	(180)	1,305	n/m	90	1,445	(93.8)
Interest income	(69)	(37)	86.5	(170)	(56)	203.6
Gain from changes in fair value of biological assets	-	-	n/m	-	(14,589)	n/m
Gain on compensation from expropriated land	-	-	n/m	-	(3,389)	n/m
(Gain)/loss on disposal of property, plant and equipment	-	-	n/m	-	(474)	n/m
Government grants	(50)	(50)	-	(74)	(405)	(81.7)
Share-based payment expenses	-	-	n/m	3,516	2,077	69.3

n/m – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	As at 31 Mar 2012 RMB'000	As at 30 Jun 2011 RMB'000	As at 31 Mar 2012 RMB'000	As at 30 Jun 2011 RMB'000
Non-current assets				
Property, plant and equipment	27,775	18,907	9	13
Biological assets ⁽¹⁾	217,162	122,950	-	-
Land use rights	80,781	44,408	-	-
Investments in subsidiaries	-	-	85,700	88,686
Prepayments	59,103	51,256	-	-
	384,821	237,521	85,709	88,699
Current assets				
Biological assets ⁽²⁾	12,616	100	-	-
Inventories	14,062	16,619	-	-
Trade and other receivables	165,638	139,302	47,364	47,066
Cash and bank balances	23,670	34,454	3,746	7,649
	215,986	190,475	51,110	54,715
Less:				
Current liabilities				
Trade and other payables	22,755	12,834	49	1,378
Current income tax payable	2,384	1,824	-	-
	25,139	14,658	49	1,378
Net current assets	190,847	175,817	51,061	53,337
Non-current liability				
Deferred tax liability	(12,079)	(12,079)	-	-
Net assets	563,589	401,259	136,770	142,036
Capital and reserves				
Share capital	138,692	135,176	138,692	135,176
Share-based payment reserve	2,077	2,077	2,077	2,077
Statutory reserve	39,578	31,385	-	-
Foreign currency translation account	1,255	1,372	(547)	4,018
Accumulated profits/(losses)	381,987	231,249	(3,452)	765
Total equity	563,589	401,259	136,770	142,036

⁽¹⁾This represents eucalyptus trees in plantation forest.

⁽²⁾This represents edible fungi synthetic logs held by the Group.

(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 Mar 2012		As at 30 Jun 2011	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 31 Mar 2012		As at 30 Jun 2011	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Details of any collateral

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	3 Months Ended		9 Months Ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2012	2011	2012	2011
	RMB'000	RM'000	RMB'000	RMB'000
Cash flow from operating activities				
Profit before income tax	83,870	64,481	165,145	114,446
Adjustments for:				
Depreciation	1,590	931	3,872	2,265
Amortisation of biological assets ⁽¹⁾	95,174	47,911	174,507	77,330
Amortisation of land use rights	555	296	1,143	790
Amortisation of prepayments	4,682	943	8,598	943
Gain on disposal of property, plant and equipment	-	-	-	(474)
Gain on compensation for expropriated land	-	-	-	(3,389)
Gain from changes in fair value of biological assets ⁽²⁾	-	-	-	(14,589)
Interest income	(69)	(37)	(170)	(56)
Share-bases payment expenses	-	-	3,516	2,077
Unrealised foreign exchange loss	-	549	-	123
Operating profits before working capital changes	185,802	115,074	356,611	179,466
Biological assets ⁽¹⁾	(100)	(5,170)	(187,022)	(89,224)
Inventories	(1,125)	(4,861)	2,557	(3,624)
Trade and other receivables	(25,556)	(107,428)	(21,721)	(43,212)
Trade and other payables	(14,755)	(5,274)	9,920	(14,628)
Cash generated from operations	144,266	(7,659)	160,345	28,778
Interest received	69	37	170	56
Income taxes paid	(1,982)	(2,449)	(5,655)	(6,521)
Net cash generated from/(used in) operating activities⁽³⁾	142,353	(10,071)	154,860	22,313
Cash flow used in investing activities				
Proceeds from disposal of property, plant and equipment	-	-	-	834
Purchase of property, plant and equipment	(826)	(979)	(12,741)	(4,522)
Purchase of biological assets ⁽²⁾	(94,212)	-	(94,212)	(38,312)
Purchase of land use rights	(37,515)	-	(37,515)	(14,148)
Compensation received for expropriated land	-	-	-	4,514
Prepayments	(14,060)	(2,407)	(21,060)	(4,332)
Currency translation difference on investing activities	(5,180)	-	4,449	-
Net cash used in investing activities	(151,793)	(3,386)	(161,079)	(55,966)

<u>The Group</u>	3 Months Ended		9 Months Ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flow from financing activities				
Pre-IPO investment	-	-	-	13,659
Issue of new shares	-	-	-	79,173
Currency translation difference on financing activities	5,054	-	(4,120)	-
Net cash generated from/(used in) financing activities	5,054	-	(4,120)	92,832
Net (decrease)/increase in cash and bank balances	(4,386)	(13,457)	(10,339)	59,179
Cash and bank balances at beginning of the financial period	27,477	80,020	34,454	7,384
Effect of foreign exchange rate changes in cash and bank balances	579	504	(445)	504
Cash and bank balances at end of the financial period	23,670	67,067	23,670	67,067

(1) This represents edible fungi synthetic logs held by the Group.

(2) This represents eucalyptus trees in plantation forest.

(3) The net cash used in operating activities in 3 months ended 31 March 2011 was mainly due to the Group had made advance payment for the material costs of shiitake mushroom synthetic logs of approximately RMB104.8 million.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>The Group</u>	Share capital	Share-based payment reserve	Statutory reserve	Foreign currency translation account	Accumulated profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 01.01.2010	42,095	-	13,530	-	93,686	149,311
Adjustments arising from Group restructuring	(42,095)	-	-	-	-	(42,095)
Issue of new shares	135,176	-	-	-	-	135,176
Share-based payment reserve	-	2,077	-	-	-	2,077
Transfer to statutory reserve	-	-	10,515	-	(10,515)	-
Total comprehensive income for the financial year	-	-	-	(735)	103,340	102,605
Balance as at 31.12.2010	<u>135,176</u>	<u>2,077</u>	<u>24,045</u>	<u>(735)</u>	<u>186,511</u>	<u>347,074</u>
Total comprehensive income for the financial period	-	-	-	1,277	63,133	64,410
Balance as at 31.03.2011	<u>135,176</u>	<u>2,077</u>	<u>24,045</u>	<u>542</u>	<u>249,644</u>	<u>411,484</u>

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<u>The Group</u>	Share capital	Share-based payment reserve	Statutory reserve	Foreign currency translation account	Accumulated profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 01.07.2011	135,176	2,077	31,385	1,372	231,249	401,259
Total comprehensive income for the financial period	-	-	-	(520)	4,209	3,689
Balance as at 30.09.2011	135,176	2,077	31,385	852	235,458	404,948
Share-based payment reserve	-	3,516	-	-	-	3,516
Transfer to statutory reserve	-	-	14,671	-	(14,671)	-
Total comprehensive income for the financial period	-	-	-	(51)	73,236	73,185
Balance as at 31.12.2011	135,176	5,593	46,056	801	294,023	481,649
Grant of performance share awards	3,516	(3,516)	-	-	-	-
Transfer to statutory reserve	-	-	(6,478)	-	6,478	-
Total comprehensive income for the financial period	-	-	-	454	81,486	81,940
Balance as at 31.03.2012	138,692	2,077	39,578	1,255	381,987	563,589

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<u>The Company</u>	Share capital RMB'000	Share-based payment reserve RMB'000	Foreign currency translation account RMB'000	Accumulated profits/(losses) RMB'000	Total equity RMB'000
Balance as at incorporation date	-*	-	-	-	-*
Issue of new shares	135,176	-	-	-	135,176
Share-based payment reserve	-	2,077	-	-	2,077
Total comprehensive income for the financial period	-	-	380	23,276	23,656
Balance as at 31.12.2010	<u>135,176</u>	<u>2,077</u>	<u>380</u>	<u>23,276</u>	<u>160,909</u>
Total comprehensive income/(loss) for the financial period	-	-	2,326	(1,579)	747
Balance as at 31.03.2011	<u>135,176</u>	<u>2,077</u>	<u>2,706</u>	<u>21,697</u>	<u>161,656</u>
Balance as at 01.07.2011	135,176	2,077	765	4,018	142,036
Total comprehensive income/(loss) for the financial period	-	-	2,724	(8,516)	(5,792)
Balance as at 30.09.2011	<u>135,176</u>	<u>2,077</u>	<u>3,489</u>	<u>(4,498)</u>	<u>136,244</u>
Share-based payment reserve	-	3,516	-	-	3,516
Total comprehensive loss for the financial period	-	-	(4,062)	(1,683)	(5,745)
Balance as at 31.12.2011	<u>135,176</u>	<u>5,593</u>	<u>(573)</u>	<u>(6,181)</u>	<u>134,015</u>
Grant of performance share awards	3,516	(3,516)	-	-	-
Total comprehensive income for the financial period	-	-	26	2,729	2,755
Balance as at 31.03.2012	<u>138,692</u>	<u>2,077</u>	<u>(547)</u>	<u>(3,452)</u>	<u>136,770</u>

*Denotes amount less than RMB1,000

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Grant of Performance Share Awards

During the 3 months ended 31 March 2012, selected eligible employees of the Group and Director of the Company had been awarded 4,340,000 ordinary shares pursuant to Yamada Green Resources Performance Share Plan (the "Plan") on 28 February 2012. The Plan was approved and adopted by the shareholders at our Extraordinary General Meeting on 29 April 2011 (the "EGM").

These new shares have been listed and quoted on the Singapore Exchange Securities Trading Limited on 29 February 2012. The new shares issued rank pari passu in all respects with the existing shares of the Company. Pursuant to the above issue and allotment of new shares, the number of issued and paid-up shares in the capital of the Company has increased from 406,595,175 ordinary shares to 410,935,175 ordinary shares.

There were no outstanding convertibles or treasury shares held as at 31 March 2012 and 31 March 2011.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Total number of issued shares (excluding treasury shares)

As at 30 June 2011	406,595,175
Grant of performance share awards	<u>4,340,000</u>
As at 31 March 2012	<u>410,935,175</u>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 30 June 2011 except for the valuation of biological assets, fair value of share-based payment reserves and provision for deferred tax which will be undertaken at the end of financial year.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	<u>3 Months Ended</u>		<u>9 Months Ended</u>	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
<u>The Group</u>				
Net profit after tax attributable to equity holders of the Company (RMB'000)	81,486	63,133	158,930	106,283
Number of ordinary shares ('000)	408,042	406,595	407,077	293,042
Earnings per share (RMB cents)				
- basic	20.0	15.5	39.0	36.3

Basic earnings per share are calculated by dividing the net profit after tax attributable to equity holders of the Company of the respective periods and the weighted average number of shares in issue during the respective financial periods. The weighted average number of ordinary shares represents the number of ordinary shares at the beginning of the financial period, adjusted for new ordinary shares issued during the financial period, multiplied by a time-weighted factor.

	<u>3 Months Ended</u>		<u>9 Months Ended</u>	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
<u>The Group</u>				
Net profit after tax attributable to equity holders of the Company (RMB'000)	81,486	63,133	158,930	106,283
Number of ordinary shares ('000)	428,702	406,595	427,737	293,042
Earnings per share (RMB cents)				
- fully diluted	19.0	15.5	37.2	36.3

Diluted earnings per share are calculated by dividing the profit attributable to equity holders of the Company for the respective periods and the weighted average number of shares, adjusted for the effects of all dilutive potential ordinary shares. In the current financial period, the Company approved the grant of 25,000,000 shares of the Company to selected eligible employees of the Group and Director of the Company on 29 December 2011, under the Yamada Performance Shares Plan which had been approved and adopted by the shareholders at the EGM. The corresponding period of the immediately preceding financial year did not have any potential dilutive instruments. For calculation purposes, we assumed that the grant of 25,000,000 ordinary shares took place on 1 July 2011.

As at 31 March 2012, 4,340,000 new ordinary shares was issued and vested.

For comparative purposes, proforma basis earnings per share are calculated by dividing the net profit after tax attributable to equity holders of the Company of the respective periods and the issued share capital of the Company at the end of the respective financial periods.

	3 Months Ended		9 Months Ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
<u>The Group</u>				
Number of ordinary shares ('000)	81,486	63,133	158,930	106,283
Number of ordinary shares ('000)	410,935	406,595	410,935	406,595
Earnings per share (RMB cents) - <i>on a proforma basis</i>	19.8	15.5	38.7	26.1

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

<u>The Group</u>	31 Mar 2012	30 Jun 2011
Net asset value per share (RMB cents)	137.1	98.7
Number of ordinary shares ('000)	410,935	406,595
<u>The Company</u>	31 Mar 2012	30 Jun 2011
Net asset value per share (RMB cents)	33.3	34.9
Number of ordinary shares ('000)	410,935	406,595

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

STATEMENT OF COMPREHENSIVE INCOME

Review of performance for the third quarter ended 31 March 2012 ("3Q2012")

Revenue

Our revenue increased by approximately RMB78.9 million, from approximately RMB164.0 million during January 2011 to March 2011 ("3Q2011") to approximately RMB242.9 million in 3Q2012, an increase of approximately 48.1%.

The increase was mainly due to an increase of approximately RMB70.9 million, from approximately RMB123.5 million in 3Q2011 to RMB194.4million in 3Q2012, in sales of self-cultivated shiitake mushrooms because of additional cultivation bases. In 3Q2012, we operated approximately 5,134 mu of cultivation bases as against approximately 2,614 mu in 3Q2011. We produced and sold approximately 28,500 tonnes of self-cultivated shiitake mushrooms in 3Q2012 as compared to approximately 17,700 tonnes in 3Q2011. The lower

production is due primarily to the changes in climate as we experienced exceptionally wet weather during the period between January and March 2012. The relatively higher production rate in 2Q2012 compared to that of 2Q2011 has also resulted in a relatively lower production rate in the current quarter under review.

There was approximately an increase of approximately RMB2.7 million, from approximately RMB4.6 million in 3Q2011 to RMB7.3 million in 3Q2012, in sales of fresh produce of self-cultivated black fungus. The increase was mainly due to the increased production rate by approximately 50% as compared to that of 3Q2011. The average unit selling price of fresh produce of our self-cultivated black fungus was also increased from approximately RMB4.5 per kg in 3Q2011 to RMB4.7 per kg in 3Q2012, a rise of RMB0.20 per kg, or 4%. We started cultivation and sales of black fungus in February 2011 on leased cultivation bases of approximately 86 mu.

Sales of processed food products was increased by approximately RMB5.4 million, from approximately RMB35.9 million in 3Q2011 to RMB41.3 million in 3Q2012. The increase arose mainly from higher demand from our export sales to the Japanese market, in particular, water-boiled bamboo shoots and dried vegetables. In domestic market, our newly launched konjac-based dietary fibre food product had contributed to the bulk of the increase in domestic sales. Our domestic sales made up approximately one third of total revenue from processed food products segment.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB21.5 million or 29.1%, from approximately RMB73.6 million in 3Q2011 to approximately RMB95.1 million in 3Q2012 which was in line with the increase in our revenue.

Our overall gross profit margin decreased to 39.1% in 3Q2012 from approximately 44.9% in 3Q2011.

The gross profit margin for our self-cultivation business segment decreased from approximately 50.2% in 3Q2011 to approximately 40.6% in 3Q2012 mainly due to the rising raw material cost of synthetic logs whereas our average unit selling price of fresh shiitake mushrooms had dropped by approximately 2%. The gross profit margin for self-cultivated black fungus was approximately 29.0% in 3Q2012 as compared to 45.8% reported in the previous announcement. The difference in margin is mainly due to the reclassification of certain expenses directly related to the cultivation of black fungus which had been classified as administrative expenses in previous quarters and are now more accurately treated as cost of sales. Revenue generated from our self-cultivated fungi was approximately 83.0% of our total sales in 3Q2012 as compared to approximately 78.1% in 3Q2011.

The gross profit margin for our processed food products business segment increased from approximately 25.8% in 3Q2011 to approximately 32.2% in 3Q2012 as a result of rising average unit selling prices and easing raw material costs of our processed food products, in particular, the raw material costs of dried shiitake mushroom and bamboo shoots have been declining gradually from their peak in November 2011. The major raw material prices have since stabilised.

Other operating income

Other operating income comprises mainly government grants and subsidies, interest income and other miscellaneous gains. Other operating income was approximately RMB120,000 in 3Q2012 (3Q2011: RMB87,000) mostly from interest received from banks and government subsidies.

Gain from changes in fair value of biological assets

The fair value of our eucalyptus trees at each balance sheet date is obtained through an independent expert valuer. No valuation of our eucalyptus trees was done for the period ended 31 March 2012. Hence, there was no change in fair value of biological assets recorded in the three months ended 31 March 2012.

Gain from changes in fair value of biological assets was approximately RMB14.6 million in 3Q2011 during which the financial year was ended on 31 December 2010. The gain was mainly attributable to the increase in plantation density of our eucalyptus trees plantations as the trees matured.

Operating expenses

Selling and distribution expenses decreased by approximately RMB0.7 million or 25.3%, from approximately RMB2.7 million in 3Q2011 to approximately RMB2.0 million in 3Q2012. This was mainly due to the savings on sales commission paid to certain new customers of our self-cultivated shiitake mushroom in 3Q2011 compared with the amortisation of payment of grant towards sales and marketing costs to our newly appointed self-cultivated mushrooms distribution outlets in the PRC in 3Q2012. However, the decrease was partly offset by an increase in salaries of sales and marketing staff in view of the higher level of marketing activities carried out in both Japan and PRC market.

Administrative expenses increased by approximately RMB2.9 million or 65.9%, from RMB4.3 million in 3Q2011 to RMB7.2 million in 3Q2012. This was mainly attributable to an additional approximately RMB2.9 million in R&D expenses during the current financial period.

Other operating expenses comprised mainly maintenance cost of eucalyptus trees in our plantation forest and foreign exchange loss. The maintenance cost of eucalyptus trees in our plantation forest was approximately RMB2.2 million in 3Q2012 and 3Q2011. We had incurred a foreign exchange loss of approximately RMB0.1 million in 3Q2011.

Income tax expenses

Our income tax expense increased by approximately RMB1.1 million or 76.9%, from approximately RMB1.3 million in 3Q2011 to approximately RMB2.4 million in 3Q2012. The increase was mainly due to the corresponding increase in profit before income tax of our processed foods business segment. Our subsidiary, Wangcheng, is subject to the Enterprise Income Tax at the rate of 25.0% and our subsidiary, Yuanwang, is subject to the Enterprise Income Tax at a 50.0% reduction, ie, the rate of 12.5%. Our self-cultivated edible fungi business segment is exempted from the Enterprise Income Tax and the value added tax for revenue deriving from the sales of self-cultivated and/or semi-processed agricultural products.

The effective tax rate was 2.8% and 2.1% in 3Q2012 and 3Q2011.

Total comprehensive income for the period

The resulting comprehensive income for the quarter under review increased by approximately RMB17.5 million or 27.2%, from approximately RMB64.4 million in 3Q2011 to approximately RMB81.9 million in 3Q2012.

Review of performance for the 9 Months ended 31 March 2012 (“9M2012”)

Revenue

Our revenue increased by approximately RMB182.7 million, from approximately RMB312.1 million during July 2010 to March 2011 (“9M2011”) to approximately RMB494.8 million in 9M2012, an increase of approximately 58.5%.

The increase was mainly due to an increase of approximately RMB161.9 million, from approximately RMB200.6 million in 9M2011 to RMB362.5 million in 9M2012, in sales of self-cultivated shiitake mushrooms because of additional cultivation bases. In 9M2012, we operated approximately 5,134 mu of cultivation bases as against approximately 2,614 mu in 9M2011. We produced and sold approximately 53,500 tonnes of self-cultivated shiitake mushrooms in 9M2012 as compared to approximately 29,000 tonnes in 9M2011. The change in climate during the period between January and March 2012 has resulted in a slightly lower production rate in 9M2012 as compared to that of 9M2011.

There was approximately an increase of approximately RMB9.1 million, from approximately RMB4.6 million in 9M2011 to RMB13.7 million in 9M2012, in sales of fresh produce of self-cultivated black fungus. The increase was mainly due to there were approximately 3 flushes of harvesting in 9M2012 as compared to 1 flush of harvesting in 9M2011 as we only started cultivation and sales of black fungus in February 2011. The average unit selling price of fresh produce of our self-cultivated black fungus was also increased from approximately RMB4.5 per kg in 9M2011 to RMB4.7 per kg in 9M2012, a rise of RMB0.20 per kg, or 4%. We produced and sold approximately 2,900 tonnes of fresh produce of self-cultivated black fungus in 9M2012.

Sales of processed food products increased by approximately RMB10.2 million, from approximately RMB108.2 million in 9M2011 to RMB118.4 million in 9M2012. The increase arose mainly from higher demand from our export sales to the Japanese market, in particular, water-boiled bamboo shoots, konjac products and dried vegetables. In domestic market, our newly launched konjac-based dietary fibre food products had contributed to the bulk of the increase in domestic sales. Our domestic sales made up approximately one third of total revenue from processed food products segment.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB64.1 million or 48.9%, from RMB130.9 million in 9M2011 to RMB195.0 million in 9M2012 which was in line with the increase in revenue.

Our overall gross profit margin decreased to approximately 39.4% in 9M2012 from 41.9% in 9M2011.

The gross profit margin for our self-cultivation business segment decreased from approximately 50.7% in 9M2011 to approximately 41.3% in 9M2012 mainly due to the rising raw material cost of synthetic logs whereas our average unit selling price of fresh shiitake mushrooms had dropped by approximately 2%. The gross profit margin for self-cultivated black fungus was approximately 36.9% in 9M2012 as compared to 45.8% reported in the previous announcement. The difference in margin is mainly due to the reclassification of certain expenses directly related to the cultivation of black fungus which had been classified as administrative expenses in previous quarters and are now more accurately treated as cost of sales. Revenue generated from our self-cultivated fungi was approximately 76.0% of our total sales in 9M2012 as compared to approximately 65.7% in 9M2011.

The gross profit margin for our processed food products business segment increased from approximately 25.1% in 9M2011 to approximately 33.2% in 9M2012 as a result of rising average unit selling prices and easing raw material costs of our processed food products, in particular, the raw material costs of dried shiitake mushroom and bamboo shoots have

been declining gradually from their peak in November 2011. The major raw material prices have since stabilised.

Other operating income

Other operating income comprises mainly government grants and subsidies, interest income and other miscellaneous gains. Other operating income decreased from approximately RMB4.3 million in 9M2011 to approximately RMB0.3 million in 9M2012. This was mainly due to a one-off gain in 9M2011 of approximately RMB3.4 million arising from the compensation received by our wholly-owned subsidiary, Fuzhou Wangcheng Foods Development Co., Ltd. from Fuzhou Government, in relation to the expropriation of part of the industrial land located at Houyu Village, Jingxin Town, Fuzhou City, Fujian Province, PRC, which measures 20.75 mu (approximately 13,833.4 square metres). There were gains on disposal of plant and equipment of approximately RMB0.5 million in 9M2011, which were not present in 9M2012.

Gain from changes in fair value of biological assets

The fair value of our eucalyptus trees at each balance sheet date is obtained through an independent expert valuer. No valuation of our eucalyptus trees was done for the period ended 31 March 2012. Hence, there was no change in fair value of biological assets recorded in the 9 Months ended 31 March 2012.

Gain from changes in fair value of biological assets was approximately RMB14.6 million in 9M2011 during which the financial year was ended on 31 December 2010. The gain mainly attributable to the increase in plantation density of our eucalyptus trees plantations as the trees matured.

Operating expenses

Selling and distribution expenses increased by approximately RMB2.5 million or 58.9%, from approximately RMB4.2 million in 9M2011 to approximately RMB6.7 million in 9M2012. This was mainly due to (i) expenses to engage brand consulting firm for branding, repositioning and marketing our konjac-based dietary fibre food products in PRC market, (ii) increased level of advertisement and promotion expenses to enhance the brand awareness for our processed food products and (iii) increase in salaries of sales and marketing staff in view of the higher level of marketing activities carried out in both Japan and PRC market. The increase is partly offset by the savings on sales commission paid to certain new customers of our self-cultivated shiitake mushroom in 9M2011 compared with the amortisation of payment of grant towards sales and marketing costs to our newly appointed self-cultivated mushrooms distribution outlets in the PRC in 9M2012.

Administrative expenses decreased by approximately RMB6.5 million or 25.4%, from RMB25.6 million in 9M2011 to RMB19.1 million in 9M2012. This was mainly attributable to listing and related expenses of approximately RMB12.5 million in connection with our successful listing on SGX-ST in October 2010 which was absent in 9M2012. The decrease was partly offset by share-based payment under Yamada Performance Share Plan (the "Plan") of approximately RMB3.5 million. The Plan was adopted and approved by shareholders at our Extraordinary General Meeting on 29 April 2011. The decrease in administrative expenses was further offset by an additional approximately RMB3.0 million in R&D expenses in 9M2012.

Other operating expenses comprise mainly maintenance cost of eucalyptus trees, net exchange losses and other miscellaneous expenses. The other operating expenses decreased by approximately RMB1.4 million or 22.8%, from RMB5.6 million in 9M2011 to RMB4.2 million in 9M2012. The eucalyptus trees in our plantation forest require less maintenance and fertilizer when they grow to 4 years and above.

Income tax expenses

Our income tax expense decreased by approximately RMB1.9 million or 23.9%, from approximately RMB8.2 million in 9M2011 to approximately RMB6.1 million in FY2011. The decrease was mainly due to we have made provision for deferred tax during 9M2011 as the financial year end was 31 December 2010. We have changed our financial year end to 30 June effective from 30 June 2011. The provision for deferred tax will be undertaken at the end of financial year.

The effective tax rate was 3.8% and 7.1% in 9M2012 and 9M2011.

Total comprehensive income for the period

The resulting comprehensive income for the nine months under review increased by approximately RMB52.0 million or 48.7%, from approximately RMB106.8 million in 9M2011 to approximately RMB158.8 million in 9M2012 mainly due to higher sales achieved during the current financial period.

STATEMENT OF FINANCIAL POSITION

Our non-current assets increased by approximately RMB147.3 million or 62.0%, from RMB237.5 million as at 30 June 2011 to RMB384.8 million as at 31 March 2012. The increase was mainly due to the purchase of approximately 20,936 mu non-matured eucalyptus plantations and the corresponding forestry land use rights in December 2011 for approximately RMB131.7 million, payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest for approximately RMB14.1 million, additional payment of grant towards sales and marketing costs to our newly appointed self-cultivated shiitake mushrooms distribution outlets in PRC in order to strengthen our sales and distribution network for approximately RMB7.0 million, payment for constructions in progress and purchase of property, plant and equipment for further expansion of our production facilities. The increase was partially offset by the amortisation and depreciation of non-current assets.

Our current assets increased by RMB25.5 million or 13.4%, from RMB190.5 million as at 30 June 2011 to RMB216.0 million as at 31 March 2012. The increase was mainly due to an increase in our trade and other receivables by approximately RMB26.3 million, being additional advances to suppliers for material costs of synthetic logs which will be used for the cultivation of our shiitake mushrooms during late September 2012 to April 2013 and current portion of advance payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest. We have also paid a deposit of approximately RMB5.9 million to tender for a piece of industrial land situated in Tieling Town, Minhou County, Fuzhou City, Fujian Province. The proposed acquisition of land is approximately 50 mu which we intend to build new factory facility for processed food as part of our existing factory under Wangcheng was expropriated by Fuzhou Government in year 2010. The increase was also due to an increase in synthetic logs by approximately RMB12.5 million. This increase was partially offset by the decrease in inventory level of approximately RMB2.5 million mainly due to lower raw material costs and in cash and bank balances of approximately RMB10.8 million.

Our current liabilities increased by approximately RMB10.4 million or 70.7%, from approximately RMB14.7 million as at 30 June 2011 to approximately RMB25.1 million as at 31 March 2012. This was mainly due to the advance payment we received from our customers of self-cultivated shiitake mushrooms.

Our capital and reserves increased by approximately RMB162.3 million or 40.4% from RMB401.3 million as at 30 June 2011 to RMB563.6 million as at 31 March 2012 mainly due to the retention of net profit in 9M2011.

STATEMENT OF CASH FLOWS

3Q2012

We continued to maintain a strong financial position with approximately RMB23.7 million in cash and bank balances as at 31 March 2012.

In 3Q2012, net cash generated from operating activities amounted to approximately RMB142.4 million. We generated net cash of approximately RMB185.8 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB41.5 million. This was mainly due to increase in trade and other receivables of approximately RMB25.6 million, comprised additional advance payment for the purchase of synthetic logs which was recorded as other receivables prior to their utilisation, current portion of advance payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest and deposit to tender for a piece of industrial land situated in Tieling Town, Minhou County, Fuzhou City, Fujian Province. The cash outflow was also due to an increase in inventory of approximately RMB1.1 million and an increase in trade and other payables of approximately RMB14.8 million, which was mainly advance payment received from our customers of self-cultivated shiitake mushroom. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB2.0 million.

Net cash of approximately RMB151.8 million was used in investing activities for the purchase of approximately 20,936 mu non-matured eucalyptus plantations and the corresponding forestry land use rights in December 2011 for approximately RMB131.7 million, payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest for approximately RMB14.1 million, the purchase of property, plant and equipment of approximately RMB0.8 million. Translation loss arising from investing activities was approximately RMB5.2 million as a result of depreciation of RMB against Singapore dollar during the financial period under review.

There were no financing activities in 3Q2011. However, translation gain arising from financing activities by translating the reserves from Singapore dollars into RMB presentation currency was approximately RMB5.1 million as a result of depreciation of RMB against Singapore dollar during the financial period under review.

9M2012

We continued to maintain a strong financial position as well as a positive working capital position in the nine months of the current financial year.

In 9M2012, net cash generated from operating activities amounted to approximately RMB154.9 million. We generated net cash of approximately RMB356.6 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB196.3 million. This was mainly due to the utilisation of edible fungi synthetic logs of approximately RMB187.0 million, and the increase in trade and other receivables of approximately RMB21.7 million, comprised additional advance payment for the purchase of synthetic logs which was recorded as other receivables prior to their utilisation, current portion of advance payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest and deposit to tender for a piece of industrial land situated in Tieling Town, Minhou County, Fuzhou City, Fujian Province. The cash outflow was partly offset by cash inflow from an increase in other payables of approximately RMB9.9 million and a decrease in inventories of approximately RMB2.6 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB5.7 million.

We used net cash of approximately RMB161.1 million in investing activities. This was mainly for the purchase of approximately 20,936 mu non-matured eucalyptus plantations and the corresponding forestry land use rights in December 2011 for approximately RMB131.7 million, payment made to Villagers' Committees for the maintenance cost of

eucalyptus trees in our plantation forest for approximately RMB14.1 million, the purchase of property, plant and equipment and progressive payment of construction cost for our logistic facilities, new factory and office building at our PRC subsidiaries of approximately RMB12.7 million. Translation gain arising from investing activities was approximately RMB4.4 million as a result of appreciation of RMB against Singapore dollar during the financial period under review.

There were no financing activities in 9M2012. However, translation loss arising from financing activities by translating the reserves from Singapore dollars into RMB presentation currency was approximately RMB4.1 million as a result of appreciation of RMB against Singapore dollar during the financial period under review.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Our current results are in line with our statement made under paragraph 10 in our second quarter 2012 results announcement released on 10 February 2012.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Following the expansion of our self-cultivation segment in 2011, we manage to achieve sustainable growth in profitability on the back of consumers' greater emphasis in green and healthy foods with growing affluence and higher living standard in PRC. Consumer prices in PRC rose 3.6% over a year earlier, which was mainly driven by a 7.5% rise in food prices. The Group will continuously assess natural resource and labour market conditions. Once the conditions are optimal for further expansion, the Group will capture the growth opportunity by expanding cultivation of edible fungi.

The Group is increasing its sales and marketing of konjac-based convenience food products, particularly for the konjac drinks sold as 7th Element. In addition, edible fungi and other processed food products mainly processed bamboo shoots and processed mushrooms, are repackaged and marketed under a new brand, 7th Manor, for brand repositioning. The Group will continue to grow its own brand products and expand the sales and distribution network in PRC.

Stricter government environmental protection policy and depleting natural resources in PRC have led to rising cost of raw materials. In a bid to secure upstream resource sustainability for efficient control and management of the production costs, the Group has expanded its eucalyptus plantations to 51,193 mu in December 2011. From 2012 onwards, the Group will commence progressive harvesting of eucalyptus trees to produce sawdust which are major raw materials of synthetic logs for next shiitake mushroom harvest season.

Barring unforeseen circumstances, the Group remains optimistic about its performance for the remaining year of FY2012.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the three months and nine months ended 31 March 2012.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There has been no interested person transactions during the three months and 9 Months ended 31 March 2012. The Group does not have a general mandate pursuant to Rule 920(1)(a)(ii).

14. Update of Use of IPO Proceeds.

The following table summarises the use of the net proceeds from the IPO to-date:

Future Plans	Proposed	Utilisation pursuant to the agreements as announced on 1 Mar 2011, 23 Mar 2011, 18 Apr 2011 and 15 Jun 2011	Unutilised
	SGD (million)	SGD (million)	SGD (million)
Expand our shiitake mushroom cultivation bases	4.6	4.6	-
Expand our eucalyptus plantations	5.0	5.0	-
Establish our own distribution and marketing network	2.0	1.0	1.0
Strengthen processing capabilities of our konjac-based processed food products	1.8	0.5	1.3
Balance as working capital	0.1	0.1	-
Total	13.5	11.2	2.3

The above utilisations are in accordance with the intended use of the proceeds from the IPO as stated in the Prospectus dated 29 September 2010 except for the SGD1.0 million used for establishing our own distribution and marketing network. Please refer to the announcement made on 15 June 2011 for details.

The targeted completion of logistics centre in Zhangping City by end 2011 was not on schedule due primarily to the delay of the construction of the road leading to our site and the delay in power supply to our site by the local government. The Company had commenced the construction of the logistics centre in March 2012 and expected to put it into use by September 2012.

With the acquisition of additional machinery and auxiliary facilities as announced by the Company on 1 December 2010, the present production capacity of konjac-based processed food products is sufficient to cater to the existing demand. Accordingly, the Board had decided to postpone the utilisation of the remaining allocated IPO proceeds of approximately SGD1.3 million.

The Company will make a separate announcement as and when the remaining IPO proceeds are materially disbursed.

15. NEGATIVE CONFIRMATION PURSUANT TO RULE 705(5)

The Board of Directors of Yamada Green Resources Limited (the “Company”), do hereby confirm that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the three months and nine months ended 31 March 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chen Qiu Hai
Executive Chairman and CEO

10 May 2012