



Yamada Green Resources Limited

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

Unaudited Financial Statements And Dividend Announcement for The Second Quarter and Half-Year Ended 30 June 2011

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) 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		Change %	Half-Year Ended		Change %
	30 Jun 2011 RMB'000	30 Jun 2010 ⁽¹⁾ RMB'000		30 Jun 2011 RMB'000	30 Jun 2010 ⁽¹⁾ RMB'000	
Revenue	54,614	41,031	33.1	218,647	165,840	31.8
Cost of sales	(35,737)	(28,554)	25.2	(126,149)	(91,910)	37.3
Gross profit	18,877	12,477	51.3	92,498	73,930	25.1
Other operating income	286	82	248.8	373	1,175	(68.3)
Gain from changes in fair value of biological assets	-	-	n/m	-	2,249	n/m
Selling and distribution expenses	(2,104)	(979)	114.9	(4,777)	(1,520)	214.3
Administrative expenses	(7,122)	(1,177)	505.0	(11,443)	(4,616)	147.9
Other operating expenses	(1,177)	(1,589)	(25.9)	(3,410)	(3,167)	7.7
Profit before income tax	8,760	8,814	(0.6)	73,241	68,051	7.6
Income tax expense	(1,528)	(2,305)	(33.7)	(2,876)	(7,861)	(63.4)
Profit after income tax	7,232	6,509	11.1	70,365	60,190	16.9
Foreign currency translation reserve	827	-	n/m	2,104	-	n/m
Total comprehensive income for the financial period	8,059	6,509	23.8	72,469	60,190	20.4

n/m – not meaningful

⁽¹⁾ The Company was incorporated in Singapore on 8 February 2010 under the name "Yamada Green Resources Pte. Ltd.". On 28 September 2010, the Company changed its name to "Yamada Green Resources Limited" in connection to its conversion to a public company limited by shares. The Company and its subsidiaries (the "Group") was formed pursuant to a restructuring exercise (the "Restructuring Exercise") undertaken prior to the

Company's listing on the Singapore Exchange Securities Trading Limited. Please refer to the Company's prospectus dated 29 September 2010 for further details on the Restructuring Exercise. For the purpose of this announcement, the comparative consolidated financial statements of the Group for the three months and half-year ended 30 June 2010 represent combined financial statements of the Group prepared based on common control accounting.

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			Half-Year Ended		
	30 Jun 2011 RMB'000	30 Jun 2010 RMB'000	Change %	30 Jun 2011 RMB'000	30 Jun 2010 RMB'000	Change %
Amortisation of land use rights	294	159	84.9	590	364	62.0
Amortisation of biological assets	9,309	3,155	195.1	59,805	34,706	72.3
Amortisation of prepayment	1,828	-	n/m	2,771	-	n/m
Depreciation of property, plant and equipment	969	1,130	(14.2)	1,900	1,926	(1.3)
Exchange loss, net	243	87	n/m	1,548	10	n/m
Interest income	(26)	(2)	n/m	(63)	(8)	687.5
Gain from changes in fair value of biological assets	-	-	n/m	-	2,249	n/m
Government grants	-	(157)	n/m	(50)	(1,167)	(95.0)

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 30 Jun 2011 RMB'000	As at 31 Dec 2010 RMB'000	As at 30 Jun 2011 RMB'000	As at 31 Dec 2010 RMB'000
Non-current assets				
Property, plant and equipment	18,907	18,946	13	-
Biological assets ⁽¹⁾	117,930	117,930	-	-
Land use rights	44,408	44,998	-	-
Investments in subsidiaries	-	-	88,686	72,156
Prepayments	48,954	19,119	-	-
	230,199	200,993	88,699	72,156
Current assets				
Biological assets ⁽²⁾	100	54,635	-	-
Inventories	16,619	13,314	-	-
Trade and other receivables	141,408	35,288	47,066	44,498
Cash and bank balances	34,457	80,020	7,649	45,830
	192,584	183,257	54,715	90,328
Less:				
Current liabilities				
Trade and other payables	10,523	26,010	71	1,575
Current income tax payable	1,782	2,747	-	-
	12,305	28,757	71	1,575
Net current assets	180,279	154,500	54,644	88,753
Non-current liability				
Deferred tax liability	(8,419)	(8,419)	-	-
Net assets	402,059	347,074	143,343	160,909
Capital and reserves				
Share capital	135,176	135,176	135,176	135,176
Share-based payment reserve	2,077	2,077	2,077	2,077
Statutory reserve	24,045	24,045	-	-
Foreign currency translation account	1,369	(735)	4,016	380
Accumulated profits	239,392	186,511	2,074	23,276
Total equity	402,059	347,074	143,343	160,909

⁽¹⁾This represents eucalyptus trees in plantation forest.

⁽²⁾This represents shiitake mushroom 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 30 Jun 2011		As at 31 Dec 2010	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 30 Jun 2011		As at 31 Dec 2010	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Details of any collateral

Not applicable.

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

The Group	3 Months Ended		Half-Year Ended	
	30 Jun 2011	30 Jun 2010⁽¹⁾	30 Jun 2011	30 Jun 2010⁽¹⁾
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flow from operating activities				
Profit before income tax	8,760	8,814	73,241	68,051
Adjustments for:				
Depreciation of property, plant and equipment	969	1,130	1,900	1,926
Amortisation of land use rights	294	159	590	364
Amortisation of biological assets ⁽²⁾	9,309	3,155	59,805	34,706
Amortisation for prepayment	1,828	-	2,771	-
Gain arising from fair value changes in biological assets ⁽³⁾	-	-	-	(2,249)
Unrealised exchange loss/(gain)	704	94	1,253	-
Interest income	(26)	(2)	(63)	(8)
Operating profits before working capital changes	21,838	13,350	139,497	102,790
Biological assets ⁽²⁾	(100)	-	(5,270)	-
Inventories	1,557	(5,324)	(3,305)	(7,970)
Trade and other receivables	6,590	(6,843)	(103,423)	(31,647)
Trade and other payables	(10,214)	8,500	(15,487)	22,041
Cash generated from operations	19,671	9,683	12,012	85,214
Interest received	26	2	63	8
Income taxes paid	(1,348)	(2,915)	(3,797)	(5,537)
Net cash generated from operating activities	18,349	6,770	8,278	79,685
Cash flow from investing activities				
Purchase of property, plant and equipment	(883)	(498)	(1,862)	(509)
Purchase of biological assets ⁽³⁾	-	-	-	(48,441)
Purchase of land use rights	-	-	-	(25,598)
Prepayments	(32,383)	(1,102)	(34,790)	(2,802)
Net cash used in investing activities	(33,266)	(1,600)	(36,652)	(77,350)
Cash flow from financing activities				
Dividends paid	(17,484)	-	(17,484)	-
Net cash used in financing activities	(17,484)	-	(17,484)	-

<u>The Group</u>	<u>3 Months Ended</u>		<u>Half-Year Ended</u>	
	30 Jun 2011	30 Jun 2010 ⁽¹⁾	30 Jun 2011	30 Jun 2010 ⁽¹⁾
	RMB'000	RMB'000	RMB'000	RMB'000
Net (decrease)/increase in cash and bank balances	(32,401)	5,170	(45,858)	2,335
Cash and bank balances at beginning of the financial period	67,067	2,214	80,020	5,049
Effect of foreign exchange rate changes in cash and bank balances	(209)	-	295	-
Cash and bank balances at end of the financial period	34,457	7,384	34,457	7,384

⁽¹⁾The comparative consolidated statement of cash flows of the Group for the three months and half-year ended 30 June 2010 represent the combined statement of cash flows of the Group.

⁽²⁾ This represents shiitake mushroom synthetic logs held by the Group.

⁽³⁾ This represents eucalyptus trees in plantation forest.

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 RMB'00	Share-based payment reserve RMB'000	Foreign currency translation account RMB'000	Statutory reserve RMB'000	Accumulated profits RMB'000	Total equity 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>(735)</u>	<u>24,045</u>	<u>186,511</u>	<u>347,074</u>
Balance as at 01.01.2011	135,176	2,077	(735)	24,045	186,511	347,074
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>542</u>	<u>24,045</u>	<u>249,644</u>	<u>411,484</u>
Dividends paid	-	-	-	-	(17,484)	(17,484)
Total comprehensive income for the financial period	-	-	827	-	7,232	8,059
Balance as at 30.06.2011	<u>135,176</u>	<u>2,077</u>	<u>1,369</u>	<u>24,045</u>	<u>239,392</u>	<u>402,059</u>

Yamada Green Resources Limited

<u>The Company</u>	Share capital RMB'000	Share-based payment reserve RMB'000	Foreign currency translation account RMB'000	Accumulated profit/(loss) RMB'000	Total equity RMB'000
Balance at incorporation date	-*	-	-	-	-*
Total comprehensive income/(loss) for the financial period	-	-	-	(37)	(37)
Balance as at 31.03.2010	-*	-	-	(37)	(37)
Balance as at 01.01.2011	135,176	2,077	380	23,276	160,909
Total comprehensive income/(loss) for the financial period	-	-	2,326	(1,579)	747
Balance as at 31.03.2011	135,176	2,077	2,706	21,697	161,656
Dividends paid	-	-	-	(17,484)	(17,484)
Total comprehensive income/(loss) for the financial period	-	-	1,310	(2,139)	(829)
Balance as at 30.06.2011	135,176	2,077	4,016	2,074	143,343

*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.**

There were no changes in the Company's share capital during the period reported on.

There were no outstanding convertibles or treasury shares held as at 30 June 2011 and 30 June 2010.

- 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.**

	As at 30 Jun 2011	As at 31 Dec 2010
Total number of issued shares (excluding treasury shares)	406,595,175	406,595,175

- 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 31 December 2010 except for the valuation of biological assets 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.

	3 Months Ended		Half-Year Ended	
	30 Jun 2011	30 Jun 2010	30 Jun 2011	30 Jun 2010
<u>The Group</u>				
Net profit after tax attributable to equity holders of the Company (RMB'000)	7,232	6,509	70,365	60,190
Number of ordinary shares ('000)	406,595	331,683	406,595	331,683
Earnings per share (RMB cents) -basic/fully diluted	1.8	2.0	17.3	18.1

The Company had no dilutive equity instruments as at 30 June 2011 and 30 June 2010. Therefore, the fully diluted earnings per share for period ended 30 June 2011 and 30 June 2010 were the same as the basic earnings per shares for the period ended 30 June 2011 and 30 June 2010 respectively. The denominators used are the same as those detailed above for both basic and diluted earnings per share.

Basic earnings per share for the three months and half-year ended 30 June 2011 is computed based on the weighted average number of shares in issue of 406,595,175 ordinary shares during the financial period. The weighted average number of ordinary shares represents the number of ordinary shares at the beginning of the financial year, adjusted for new ordinary shares issued during the financial period, multiplied by a time-weighted factor.

For comparative and illustration purposes, the earnings per share for the three months and half-year ended 30 June 2010 computed above is based on the Company's pre-Invitation share capital of 331,683,218 ordinary shares.

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>	30 Jun 2011	31 Dec 2010
Net asset value per share (RMB cents)	98.9	85.4
Number of ordinary shares ('000)	406,595	406,595
<u>The Company</u>	30 Jun 2011	31 Dec 2010
Net asset value per share (RMB cents)	35.3	39.6
Number of ordinary shares ('000)	406,595	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 second quarter ended 30 June 2011 ("2Q2011")

Revenue

Our revenue increased by approximately RMB13.6 million, from approximately RMB41.0 million in 2Q2010 to approximately RMB54.6 million in 2Q2011, an increase of approximately 33.1%.

The increase was due to several factors. Firstly, an increase of approximately RMB8.5 million in sales of self-cultivated shiitake mushrooms because of additional cultivation bases. In 2Q2011, we operated approximately 2,614 mu of cultivation bases as against approximately 2,213 mu in 2Q2010. We produced and sold approximately 2,000 tonnes of self-cultivated shiitake mushrooms in 2Q2011. Secondly, approximately RMB4.5 million new revenue from sales of approximately 1,000 tonnes of fresh black fungus in 2Q2011. Thirdly, higher average unit selling price for self-cultivated fresh shiitake mushrooms, the average unit selling price increased by approximately 24.1% in 2Q2011 as compared to 2Q2010. Fourthly, higher sales of convenience food, especially konjac instant noodles, from approximately RMB8.6 million in 2Q2010 to approximately RMB9.7 million in 2Q2011. The increase of approximately RMB1.1 million of sales was the result of intensive promotion efforts in the PRC.

The increase in revenue was moderated by lower export sales of dried shiitake mushrooms, from approximately RMB6.1 million in 2Q2010 to approximately RMB5.6 million in 2Q2011, a fall of approximately RMB0.5 million, as a result of weaker demand from Japan market immediately after the tsunami in March 2011.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB6.4 million or 51.3%, from approximately RMB12.5 million in 2Q2010 to approximately RMB18.9 million in 2Q2011 which was in line with the increase in our revenue.

The overall gross profit margin increased from approximately 30.4% in 2Q2010 to approximately 34.6% in 2Q2011 as a result of the changes in our sales mix in which our self-cultivated fungi segment commanded higher gross profit margin as compared to our processed food products segment. Revenue generated from our self-cultivated fungi was approximately 34.7% of our total sales in 2Q2011 as compared to approximately 14.5% in 2Q2010.

Other operating income

Other operating income increased by approximately RMB0.2 million or 248.8%, from approximately RMB0.1 million in 2Q2010 to approximately RMB0.3 million in 2Q2011. This was mainly due to gains from additional compensation received by our wholly-owned subsidiary, Fuzhou Wangcheng Foods Development Co., Ltd. ("Wangcheng") 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 ("Expropriated Land"). For details

of the Expropriated Land, please refer to page 40 under section “Risk Factors” in our Company’s Prospectus dated 29 September 2010.

Operating expenses

Selling and distribution expenses increased by approximately RMB1.1 million or 114.9%, from approximately RMB1.0 million in 2Q2010 to approximately RMB2.1 million in 2Q2011. This was mainly due to the expenses to engage a brand consulting firm for branding, repositioning and marketing our konjac-based dietary fibre food products in PRC market.

Administrative expenses increased by approximately RMB5.9 million or 505.0%, from RMB1.2 million in 2Q2010 to RMB7.1 million in 2Q2011. This was mainly attributable to the increase in R&D expense of approximately RMB2.7 million, salaries and salary-related costs including directors’ remuneration, directors’ fees and social insurance contributions of approximately RMB2.0 million, additional depreciation and amortisation costs incurred during non-cultivation season of approximately RMB0.3 million, and additional traveling, entertainment and other incidental costs as compared to 2Q2010. Higher administrative expenses were attributable to the increased activities followed by our listing on SGX-ST in October 2010.

Other operating expenses decreased by approximately RMB0.4 million or 25.9%, from RMB1.6 million in 2Q2010 to RMB1.2 million in 2Q2011. 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 decreased by approximately RMB0.6 million in 2Q2011 as part of eucalyptus trees grew to nearer maturity age. The eucalyptus trees in our plantation forest require less maintenance and fertilizer when they grow to 4 years and above. We had incurred in 2Q2011 an unrealized foreign exchange loss of approximately RMB0.2 million on translation of bank balances denominated in RMB into Singapore Dollar as a result of appreciation in Singapore Dollar during the period under review.

Total comprehensive income for the period

The resulting comprehensive income for the quarter under review increased by approximately RMB1.6 million or 23.8%, from approximately RMB6.5 million in 2Q2010 to approximately RMB8.1 million in 2Q2011.

Review of performance for the half-year ended 30 June 2011 (“HY2011”)

Revenue

Our revenue increased by approximately RMB52.8 million, from approximately RMB165.8 million in HY2010 to approximately RMB218.6 million in HY2011, an increase of approximately 31.8%.

The increase was due to several factors. Firstly, an increase of approximately RMB41.6 million in sales of self-cultivated shiitake mushrooms because of additional cultivation bases. In HY2011, we operated approximately 2,614 mu of cultivation bases as against approximately 2,213 mu in HY2010. We produced and sold approximately 20,000 tonnes of self-cultivated shiitake mushrooms in HY2011. Secondly, approximately RMB9.1 million new revenue from sales of approximately 2,000 tonnes of fresh black fungus in HY2011. Thirdly, higher average unit selling price for self-cultivated fresh shiitake mushrooms, from approximately RMB6.5/kg in HY2010 to RMB6.90/kg in HY2011, an increase of approximately 6.2%. Fourthly, higher sales of convenience food, especially konjac instant noodles, from approximately RMB16.1 million in HY2010 to approximately RMB17.9 million in HY2011. The increase of approximately RMB1.8 million of sales was the result of intensive promotion efforts in the PRC. The increase in revenue from other processed foods products amounted to approximately RMB0.4 million.

Export sales of processed food products remained relatively stable at approximately RMB44.1 million for HY2011 and HY2010.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB18.6 million or 25.1%, from RMB73.9 million in HY2010 to RMB92.5 million in HY2011 which was in line with the increase in revenue.

Our overall gross profit margin decreased from approximately 44.6% in HY2010 to approximately 42.3% in HY2011.

The gross profit margin for our self-cultivation business segment decreased from approximately 52.8% in HY2010 to approximately 49.1% in HY2011 mainly due to (i) the rising raw material cost of synthetic logs whereas our selling price of fresh shiitake mushrooms did not increase in tandem, and (ii) our self-cultivated black fungus commanded a relatively lower gross profit margin at approximately 40.5% compared to that of our self-cultivated shiitake mushrooms.

The gross profit margin for our processed food products business segment decreased from approximately 25.7% in HY2010 to approximately 22.2% in HY2011 as a result of rising raw material cost of our processed food, in particular, bamboo shoots and other vegetables.

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 30 June 2011. Hence, there was no change in fair value of biological assets recorded in the three months and half-year ended 30 June 2011. Gain from changes in fair value of biological assets approximately RMB2.2 million in HY2010 was due to valuation done for IPO purpose. This was mainly attributable to the increase in plantation density of our eucalyptus trees plantations as the trees matured.

Other operating income

Other operating income comprises mainly government grants and subsidies, interest income and other miscellaneous gains. Other operating income decreased by approximately RMB0.8 million or 68.3%, from RMB1.2 million in HY2010 to RMB0.4 million in HY2011. In HY2010, we received a RMB1.0 million award for Wangcheng, as Agricultural Industrialisation Outstanding Dragon Head Enterprise for 2009 in Fujian Province, PRC, which was not present in HY2011. The decrease was partially offset by the gain from additional compensation received from Fuzhou Government by Wangcheng in relation to the Expropriated Land.

Operating expenses

Selling and distribution expenses increased by approximately RMB3.3 million or 214.3%, from approximately RMB1.5 million in HY2010 to approximately RMB4.8 million in HY2011. This was mainly due to (i) increase in sales commission paid to certain new customers who are also wholesalers of fresh mushrooms in an effort to increase our sales, and (ii) expenses 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 RMB6.8 million or 147.9%, from RMB4.6 million in HY2010 to RMB11.4 million in HY2011. This was mainly attributable to the increase in R&D expense of approximately RMB1.3 million, salaries and salary-related costs including directors' remuneration, directors' fees and social insurance contributions of approximately RMB3.0 million, additional depreciation and amortisation costs incurred during non-cultivation season of approximately RMB0.6 million, and additional traveling,

entertainment and other incidental costs as compared to HY2010 which was the results of increased activities followed by our listing on SGX-ST in October 2010.

Other operating expenses increased by approximately RMB0.2 million or 7.7%, from RMB3.2 million in HY2010 to RMB3.4 million in HY2011. We had incurred in HY2011 an unrealized foreign exchange loss of approximately RMB1.5 million on translation of bank balances denominated in RMB into Singapore Dollar as a result of stronger Singapore Dollar since beginning of FY2011, this is non-recurring in nature. The maintenance cost of eucalyptus trees in our plantation forest decreased by approximately RMB1.3 million in HY2011 as part of eucalyptus trees grew to nearer maturity age. The eucalyptus trees in our plantation forest require less maintenance and fertilizer when they grow to 4 years and above.

Total comprehensive income for the period

The resulting comprehensive income for the six months under review increased by approximately RMB12.3 million or 20.4%, from approximately RMB60.2 million in HY2010 to approximately RMB72.5 million in HY2011.

STATEMENT OF FINANCIAL POSITION

Our non-current assets increased by approximately RMB29.2 million or 14.5%, from RMB201.0 million as at 31 December 2010 to RMB230.2 million as at 30 June 2011. The increase was mainly due to the capital expenditure on the following items. Firstly, advance payment made to Villagers' Committees for the rental of edible fungi cultivation bases. Secondly, advance payment made to Villagers' Committees for the maintenance cost of eucalyptus trees in our plantation forest. Thirdly, payment of grant towards sales and marketing costs to our newly appointed self-cultivated shiitake mushrooms distribution outlets in the PRC in order to strengthen our sales and distribution network. Fourthly, 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 RMB9.3 million or 5.1%, from RMB183.3 million as at 31 December 2010 to RMB192.6 million as at 30 June 2011. The increase was mainly due to (i) an increase in our trade and other receivables by approximately RMB106.1 million, being advances to suppliers for material costs of synthetic logs which will be used for the cultivation of our shiitake mushrooms during late September 2011 to April 2012 on approximately 5,134 mu cultivation bases, and (ii) an increase in our inventories by approximately RMB3.3 million which was in line with our increased production activities. This increase was partially offset by the amortisation of biological assets, namely shiitake mushroom synthetic logs, of approximately RMB54.5 million due to utilisation of synthetic logs towards the end of harvesting season till April 2011 for the cultivation of our shiitake mushrooms and black fungus and decrease in cash and bank balances of approximately RMB45.6 million.

Our current liabilities decreased by approximately RMB16.5 million or 57.3%, from approximately RMB28.8 million as at 31 December 2010 to approximately RMB12.3 million as at 30 June 2011. This was mainly due to the decrease in trade payables of approximately RMB15.5 million and decrease in current income tax payables of approximately RMB1.0 million.

Our capital and reserves increased by approximately RMB55.0 million or 15.8% from RMB347.1 million as at 31 December 2010 to RMB402.1 million as at 30 June 2011 mainly due to the retention of net profit of approximately RMB70.4 million and foreign currency translation reserve of approximately RMB2.1 million in HY2011. Our capital and reserves was reduced by approximately RMB17.5 million as a result of the payment of final dividends of RMB0.043 per share in May 2011.

STATEMENT OF CASH FLOWS

2Q2011

We continued to maintain a strong financial position with approximately RMB34.5 million in cash and bank balances as at 30 June 2011.

In 2Q2011, net cash generated from operating activities amounted to approximately RMB18.3 million compared with net cash generated from operating activities amounting to approximately RMB7.0 million in the corresponding period in FY2010. We generated net cash of approximately RMB21.5 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB1.9 million. This was mainly due to a decrease in trade and other payables of approximately RMB10.2 million and purchase of mycelia of RMB0.1 million. The cash outflow was partially offset by cash inflow from a decrease in other receivables of approximately RMB6.9 million and a decrease in inventories of approximately RMB1.5 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB1.3 million.

Net cash of approximately RMB33.3 million was used in investing activities for the purchase of property, plant and equipment of approximately RMB0.9 million, prepayment of maintenance cost of eucalyptus trees in our plantation forest of approximately RMB2.1 million, advance payment made to Villagers' Committees for the rental of black fungus cultivation bases and shiitake mushroom cultivation bases of approximately RMB25.3 million and payment of grant towards sales and marketing costs to our newly appointed self-cultivated shiitake mushrooms distribution outlets in the PRC of RMB5.0 million.

Net cash used in financing activities was approximately RMB17.5 million as a result of payment of final dividends of RMB0.043 per share in May 2011.

HY2011

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

In HY2011, net cash generated from operating activities amounted to approximately RMB8.3 million. We generated net cash of approximately RMB139.5 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB127.4 million. This was mainly due to several factors. Firstly, an increase in advances to suppliers of approximately RMB 104.8 million for material costs of synthetic logs which will be used for the cultivation of our shiitake mushrooms during late September 2011 to April 2012 on approximately 5,134 mu cultivation bases. Secondly, purchase of black fungus synthetic logs and mycelia of shiitake mushrooms for approximately RMB5.3 million. Thirdly, an increase in inventories such as finished goods and packaging materials of approximately RMB3.3 million. Fourthly, a decrease in trade and other payables of approximately RMB15.5 million. The cash outflow was partially offset by a decrease in trade and other receivables of approximately RMB1.9 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB3.8 million.

We used net cash of approximately RMB36.7 million in investing activities. This was mainly for the purchase of property, plant and equipment of approximately RMB1.9 million, prepayment of maintenance cost of eucalyptus trees in our plantation forest of approximately RMB2.1 million, advance payment made to Villagers' Committees for the rental of black fungus cultivation bases and shiitake mushroom cultivation bases of approximately RMB27.7 million and payment of grant towards sales and marketing costs to our newly appointed self-cultivated shiitake mushrooms distribution outlets in the PRC of RMB5.0 million.

Net cash used in financing activities was approximately RMB17.5 million as a result of payment of final dividends of RMB0.043 per share in May 2011.

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 first quarter 2011 results announcement released on 3 May 2011.

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.

The Group will continue to drive growth and profitability as a result of rising disposable income in the PRC as well as the greater emphasis towards green and healthy foods that will increase market demand for some of its key products such as edible fungi and konjac-based dietary fibre food products. Selling price of its core product shiitake mushrooms has also increased higher year on year due to higher raw material cost and food price inflation in China.

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.

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 are only leased for seven months of harvesting season in each year, and the labour costs are also minimised as the Group is not required to maintain a large number of full-time employees.

Barring unforeseen circumstances, the Group remains optimistic about its performance for the remaining year of FY2011.

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/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the three months and half-year ended 30 June 2011.

13. Interested person transactions

There has been no interested person transactions during the three months and half-year ended 30 June 2011.

14. CONFIRMATION BY THE BOARD 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 half-year ended 30 June 2011 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chen Qiuhai
Executive Chairman and CEO

12 August 2011