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MEDIA RELEASE

YAMADA POSTS 16.9% INCREASE IN NET PROFIT FOR 1H11 TO RMB70.4 MILLION ON REVENUE OF RMB218.6 MILLION

- *1H11 revenue up 31.8% on strong demand for self-cultivated edible fungi products such as shiitake mushrooms and black fungus*
- *Sales of self-cultivated edible fungi surged 52.6% to RMB147.1million in1H11 due to higher selling price and progressive expansion of cultivation farmland*
- *Contribution of RMB9.1 million from newly leased black fungus cultivation bases in 1H11*
- *Higher margin self-cultivated edible fungi products contribution to Group revenue rose to 67.3% in 1H11 from 58.1% in 1H10*
- *Expect positive contribution to Group earnings in 2011 and 2012 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)	1H11	1H10	Change
Revenue	218.6	165.8	31.8%
Gross Profit	92.5	73.9	25.1%
Gross Profit Margin (%)	42.3	44.6	-2.3ppt
Profit after Tax	70.4	60.2	16.9%
Earnings per share (RMB cents) *Based on 406,595,175 shares ** Based on 331,683,218 shares	17.3*	18.1**	-0.8

Singapore, 12 August 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 half year ended 30 June 2011 (“1H11”).

1H11 Results Highlights

For 1H11, Yamada posted a net profit after tax of RMB70.4 million, up 16.9% from RMB60.2 million in the same period last year (“1H10”). The growth in earnings was mainly attributable to strong order momentum for self-cultivated edible fungi segment which comprised shiitake mushrooms and black fungus.

In 1H11, the Group’s revenue increased by 31.8% to RMB218.6 million from RMB165.8 million in 1H10 on higher sales for both key product segments, namely self-cultivated edible fungi and processed food products.

In particular, sales of self-cultivated edible fungi surged 52.6% to RMB147.1 million in 1H11 from RMB96.4 million in 1H10. The higher sales of self-cultivated edible fungi were largely due to the expansion of shiitake mushroom cultivation base to approximately 2,614 mu* in 1H11 compared with approximately 2,213 mu in 1H10. Yamada also benefited from the maiden contribution of RMB9.1 million in sales from newly leased black fungus cultivation base and higher average selling price of fresh self-cultivated shiitake mushrooms, which increased by 6.2% to RMB6.90/kg in 1H11 from RMB6.50/kg in 1H10.

The sales of processed food products grew 3.2% to RMB71.6 million in 1H11 from RMB69.4 million in 1H10. This was mainly due to growing domestic sales of konjac-based dietary fibre food products which increased approximately 11.2% to RMB17.9 million in 1H11 as a result of rising demand in PRC market as well as our continuous promotional efforts in the PRC market. Export sales of processed food products remained relatively stable at approximately RMB44.1 million in 1H11.

In tandem with higher Group revenue, 1H11 gross profit jumped 25.1% to RMB92.5 million from RMB73.9 million in 1H10. The gross profit margin contracted to 42.3% in 1H11 from 44.6% in 1H10. This was mainly attributable to rising raw material cost of our processed food as well as higher cost of synthetic logs of self-cultivated shiitake mushrooms and lower gross profit margin of black fungus at approximately 40.5%. However, as a result of food inflation, the increase in raw material costs were partly mitigated by the 6.2% increase in selling price of self-cultivated shiitake mushrooms to RMB6.90/kg in 1H11 from RMB6.50/kg in 1H10.

Growing Contribution From Higher Margin Segment

Driven by stronger growth momentum for self-cultivated shiitake mushrooms and new contribution from black fungus, self cultivated edible fungi products which commanded higher margins compared to processed food products saw higher contribution to Group revenue, with contribution rising to 67.3% of Group revenue in 1H11 compared to 58.1% in 1H10. Processed food products’ contribution to Group revenue slid to 32.7% in 1H11 from 41.9% in 1H10.

Selling and distribution expenses increased by approximately RMB3.3 million or 214.3%, from RMB1.5 million in 1H10 to RMB4.8 million in 1H11. This was mainly due to increase in sales commission paid to certain new customers who are also wholesalers of fresh shiitake mushrooms in an effort to increase our sales as well as expenses paid to engage brand consulting firm for branding, repositioning and marketing our konjac-based dietary fibre food products in PRC market.

Administrative expenses increased by approximately RMB6.8 million or 147.9%, from RMB4.6 million in 1H10 to RMB11.4 million in 1H11. This was mainly attributable to the increase in R&D expenses, salaries and salary-related costs such as directors' remuneration, directors' fee and social insurance contributions, increased depreciation and amortization costs incurred during non-cultivation season and other incidental costs related to increased activities as a result of our listing on SGX-ST in October 2010.

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

"Looking ahead, I expect sales momentum of self-cultivated edible fungi products, especially shiitake mushrooms to remain strong and contribute positively to Group earnings in 2011 and 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. The recently leased cultivation bases will be ready in time for the coming harvest season for shiitake mushrooms between late September 2011 and April 2012."

Future Outlook & Growth Strategies

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.

*1 mu is equivalent to approximately 667 square metres

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About Yamada Green Resources Limited

Yamada is a major supplier of shiitake mushrooms, 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 shiitake mushrooms, which are mainly sold as fresh produce to wholesalers of agricultural food products in PRC and processed food products such as mushrooms and vegetable and convenience food products (mainly konjac-based). Its processed food products are sold in major cities in PRC such as Shanghai, Xiamen, Fuzhou and Chongqing under its trademarked brands such as “旺成食品”, “研食坊” and “懒人厨房”. Yamada also exports its processed food products to mainly Japan and the US under its customers' own brands.

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