



Yamada Green Resources Limited
 Houyu Food Industry Zone
 Jingxi Town, Minhou County
 Fuzhou City, Fujian Province, PRC 350101
 www.yamada-green.com

MEDIA RELEASE

YAMADA 2Q12 NET PROFIT SURGED 78.6% TO RMB73.2 MILLION ON REVENUE OF RMB218.2 MILLION

- **2Q12 revenue up 89.1% on the back of strong demand for self-cultivated edible fungi products such as shiitake mushrooms and black fungus**
- **Sales of self-cultivated edible fungi jumped 130.0% to RMB174.5 million in 2Q12 due to progressive expansion of cultivation farmland**
- **Higher margin self-cultivated edible fungi products contribution to Group revenue rose to 80.0% in 2Q12 from 65.7% in 2Q11**
- **Expect positive contribution to Group earnings in 2012 from 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)	2Q12	2Q11	Change	1H12	1H11	Change
Revenue	218.2	115.4	89.1%	251.9	148.1	70.1%
Gross Profit	88.3	47.6	85.4%	99.9	57.3	74.4%
Gross Profit Margin (%)	40.5%	41.3%	-0.8 ppt	39.6%	38.7%	0.9 ppt
Profit after Tax	73.2	41.0	78.6%	77.4	43.1	79.5%
Earnings per share – on proforma basis (RMB cents)	18.0	10.1	7.9	19.0	18.2	0.8

Singapore, 10 February 2012 – 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 second quarter (“2Q12”) and first half year ended 31 December 2011 (“1H12”).

2Q12 and 1H12 Results Highlights

For 2Q12, Yamada posted a net profit after tax of RMB73.2 million, up 78.6% from RMB41.0 million in the same period last year (“2Q11”). The growth in earnings was mainly attributable to strong order momentum for self-cultivated edible fungi segment which comprised shiitake mushrooms and black fungus followed by expansion of our edible fungi distribution channels. For 1H12, net profit after tax grew 79.5% to RMB77.4 million from RMB43.1 million.

In 2Q12, the Group’s revenue jumped 89.1% to RMB 218.2 million from RMB115.4 million in 2Q11 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 130.0% to RMB174.5 million in 2Q12 from RMB75.8 million in 2Q11. The higher sales of self-cultivated edible fungi were largely due to the expansion of shiitake mushroom cultivation base to approximately 5,134 mu* in 2Q12 compared with approximately 2,614 mu in 2Q11. Contribution from sales of black fungus was RMB6.4 million in 2Q12.

The sales of processed food products increased by 10.6% to RMB43.7 million in 2Q12 from RMB39.5 million in 2Q11. This was mainly due to higher demands from both Japanese and domestic markets, in particular, increasing demand for dried shiitake mushrooms and konjac-based dietary fibre food products in the PRC market.

With growing Group revenue, 2Q12 gross profit rose 85.4% to RMB88.3 million from RMB47.6 million in 2Q11. The gross profit margin slightly contracted to 40.5% in 2Q12 from 41.3% in 2Q11. As a result of rising raw material cost of synthetic logs whereas selling price of self-cultivated shiitake mushrooms did not increase in tandem, the gross profit margin for self-cultivation business segment was 42.2%, decreased from 49.8% in 2Q11. The gross profit margin for self-cultivated black fungus was 45.8%.

In addition, the gross profit margin for our processed food products business segment improved from 23.4% in 2Q11 to 33.3% in 2Q12. This was attributable to higher average unit selling prices and moderating raw materials costs of our processed food products.

Growing Contribution From Higher Margin Segment

Driven by stronger growth momentum for self-cultivated shiitake mushrooms and 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 80.0% of Group revenue in 2Q12 compared to 65.7% in 2Q11. Processed food products’ contribution to Group revenue slid to 20.0% in 2Q12 from 34.3% in 2Q11.

Selling and distribution expenses increased by approximately RMB1.3 million or 156.7%, from RMB0.8 million in 2Q11 to RMB2.1 million in 2Q12. This was mainly due to the expenses of branding, repositioning and marketing our konjac-based dietary fibre food products and amortization of payment of grant for newly appointed self-cultivated mushrooms distribution outlets.

Administrative expenses decreased by approximately RMB8.8 million or 49.4%, from RMB17.9 million in 2Q11 to RMB9.1 million in 2Q12. This was mainly attributable to listing and related expenses of RMB12.5 million in connection with our successful listing on SGX-ST in October 2010 which was absent in 2Q12. Share-based payment under Yamada Performance Share Plan of RMB3.5 million was approved and adopted by the shareholders at our Extraordinary General Meeting on 29 April 2011.

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

"Looking ahead, I expect sales momentum of self-cultivated edible fungi products, especially shiitake mushrooms to remain strong and contribute positively to Group earnings in 2012. 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 newly leased cultivation bases are currently used for the harvest season for shiitake mushrooms between late September 2011 and April 2012."

Future Outlook & Growth Strategies

The Government of People's Republic of China had made controlling rising prices a top priority in 2011 by implementing a series of measures such as tightening monetary policy and cracking down on speculation. However, China's consumer price index (CPI), a main gauge of inflation still increased by 5.1% year-on-year in 2011. This was above the government's full year inflation control target of 4%. Although in the month of December 2011, China's CPI increased more moderately by 4.1% year-on-year, but food prices which accounted for nearly one third of the basket of goods used in CPI calculation, spiraled upwards by 9.1% year-on-year. (Source: National Bureau of Statistics of China)

Tapping on the growth opportunities, the Group doubled its shiitake mushroom cultivation land size to 5,134 mu in June 2011. And in line with the expanded production of self-cultivated shiitake mushrooms, the Group has moved down the supply chain through collaborating with newly appointed distribution agents to set up 12 fresh shiitake mushrooms distribution outlets, mostly in Jiangsu, Zhejiang and Guangdong provinces as well as Shanghai since October 2011.

In a bid to managing rising cost of raw materials, the Group secured upstream resource sustainability by expanding its eucalyptus plantations to 51,193 mu in December 2011 from 30,257 mu in December 2010. From 2012 onwards, the Group plans to 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 in turn may lead to a potential cost savings.

The Group will also endeavour to expand its products range and growing sales of own branded products. For brand repositioning, the processed food products are repackaged and marketed with new brands, such as 7th Manor (第七庄园) and Xian Xian Mian (纤纤面). In addition, the Group has successfully launched a new brand, 7th Element (第七元素), for its new konjac-based dietary fibre food products.

The Group will continue to execute its growth strategies such as expansion of edible fungi cultivation bases, expansion of distribution network and expansion of konjac-based dietary fibre food products range.

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

*1 mu is equivalent to approximately 667 square metres

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About Yamada Green Resources Limited

Yamada is a major supplier of edible fungi, operating one of the largest shiitake mushrooms cultivation bases of approximately 5,100 mu in Fujian Province, PRC. Yamada possesses potential upstream resource sustainability with its eucalyptus plantations of approximately 51,000 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 edible fungi.

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”, “第七庄园” and “第七元素”. Yamada also exports its processed food products to mainly Japan under its customers' own brands.

For enquiries, please contact:

Ms Chew Kim Kuan, Investors Relation Manager

Yamada Green Resources Limited

Email : chewkimkuan@yamada-green.com

Contact : +65-97985385