



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 31 December 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) **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>	<u>3 Months Ended</u>		<u>Change %</u>	<u>Half-Year Ended</u>		<u>Change %</u>
	<u>31 Dec 2011</u> <u>RMB'000</u>	<u>31 Dec 2010</u> <u>RMB'000</u>		<u>31 Dec 2011</u> <u>RMB'000</u>	<u>31 Dec 2010</u> <u>RMB'000</u>	
Revenue	218,195	115,368	89.1	251,949	148,116	70.1
Cost of sales	(129,933)	(67,758)	91.2	(152,054)	(90,831)	67.4
Gross profit	88,262	47,610	85.4	99,895	57,285	74.4
<i>Gross profit margin</i>	40.5%	41.3%	<i>(0.8 ppt)</i>	39.6%	38.7%	<i>0.9 ppt</i>
Other operating income	100	3,888	n/m	156	4,243	n/m
Gain from changes in fair value of biological assets	-	14,589	n/m	-	14,589	n/m
Selling and distribution expenses	(2,136)	(832)	156.7	(4,730)	(1,562)	202.8
Administrative expenses	(9,051)	(17,895)	(49.4)	(11,921)	(21,268)	(43.9)
Other operating expenses	(1,957)	(1,656)	18.2	(2,125)	(3,322)	(36.0)
Profit before income tax	75,218	45,704	64.6	81,275	49,965	62.7
Income tax expense	(1,982)	(4,695)	(57.8)	(3,830)	(6,815)	(43.8)
Profit after income tax	73,236	41,009	78.6	77,445	43,150	79.5
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation reserve	(51)	(1,011)	(95.0)	(571)	(735)	(22.3)
Total comprehensive income for the financial period	73,185	39,998	83.0	76,874	42,415	81.2

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			Half-Year Ended		
	31 Dec 2011 RMB'000	31 Dec 2010 RMB'000	Change %	31 Dec 2011 RMB'000	31 Dec 2010 RMB'000	Change %
Amortisation of land use rights	294	312	(5.8)	587	494	18.8
Amortisation of biological assets	79,333	29,419	169.7	79,333	29,419	169.7
Amortisation of prepayment	2,964	-	n/m	3,916	-	n/m
Depreciation of property, plant and equipment	1,293	872	48.3	2,282	1,334	71.1
Exchange loss, net	1,029	52	n/m	270		n/m
Interest income	(67)	(19)	252.6	(101)	(19)	431.6
Gain from changes in fair value of biological assets	-	(14,589)	n/m	-	(14,589)	n/m
Gain on compensation from expropriated land	-	(3,389)	n/m	-	(3,389)	n/m
(Gain)/loss on disposal of property, plant and equipment	-	(474)	n/m	-	(474)	n/m
Government grants	(24)	-	n/m	(24)	(1,167)	(97.9)
Share-based payment expenses	3,516	2,077	69.3	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 Dec 2011	As at 30 Jun 2011	As at 31 Dec 2011	As at 30 Jun 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	28,539	18,907	9	13
Biological assets ⁽¹⁾	122,950	122,950	-	-
Land use rights	43,821	44,408	-	-
Investments in subsidiaries	-	-	82,313	88,686
Prepayments	55,039	51,256	-	-
	250,349	237,521	82,322	88,699
Current assets				
Biological assets ⁽²⁾	107,689	100	-	-
Inventories	12,937	16,619	-	-
Trade and other receivables ⁽³⁾	134,768	139,302	47,324	47,066
Cash and bank balances	27,477	34,454	5,064	7,649
	282,871	190,475	52,388	54,715
Less:				
Current liabilities				
Trade and other payables	37,510	12,834	695	1,378
Current income tax payable	1,982	1,824	-	-
	39,492	14,658	695	1,378
Net current assets	243,379	175,817	51,693	53,337
Non-current liability				
Deferred tax liability	(12,079)	(12,079)	-	-
Net assets	481,649	401,259	134,015	142,036
Capital and reserves				
Share capital	135,176	135,176	135,176	135,176
Share-based payment reserve	5,593	2,077	5,593	2,077
Statutory reserve	46,056	31,385	-	-
Foreign currency translation account	801	1,372	(6,181)	4,018
Accumulated profits/(losses)	294,023	231,249	(573)	765
Total equity	481,649	401,259	134,015	142,036

⁽¹⁾This represents eucalyptus trees in plantation forest.

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

⁽³⁾This included other receivables of the Group of approximately RMB116.7 million as at 31 Dec 2011 and RMB128.7 million as at 30 June 2011 respectively.

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

Amount repayable in one year or less, or on demand

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

Amount repayable after one year

As at 31 Dec 2011		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		Half-Year Ended	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flow from operating activities				
Profit before income tax	75,218	45,704	81,275	49,965
Adjustments for:				
Depreciation	1,293	872	2,282	1,334
Amortisation of biological assets ⁽¹⁾	79,333	29,419	79,333	29,419
Amortisation of land use rights	294	312	587	494
Amortisation of prepayments	2,964	-	3,916	-
Gain on disposal of property, plant and equipment	-	(474)	-	(474)
Gain on compensation for expropriated land	-	(3,389)	-	(3,389)
Gain from changes in fair value of biological assets ⁽²⁾	-	(14,589)	-	(14,589)
Interest income	(67)	(19)	(101)	(19)
Share-bases payment expenses	3,516	2,077	3,516	2,077
Operating profits before working capital changes	162,551	59,913	170,808	64,818
Biological assets ⁽¹⁾	(186,922)	(84,054)	(186,922)	(84,054)
Inventories	(2)	(1,358)	3,682	1,238
Trade and other receivables	7,397	64,684	3,835	64,501
Trade and other payables	20,977	348	24,675	(9,354)
Cash generated from operations	4,001	39,533	16,078	37,149
Interest received	67	19	101	19
Income taxes paid	(2,321)	(2,011)	(3,672)	(4,117)
Currency translation difference on operating activities	-	(938)	-	(938)
Net cash generated from operating activities	1,747	36,603	12,507	32,113
Cash flow used in investing activities				
Proceeds from disposal of property, plant and equipment	-	834	-	834
Purchase of property, plant and equipment	(11,509)	(3,348)	(11,914)	(3,543)
Purchase of biological assets ⁽²⁾	-	(14,148)	-	(38,312)
Purchase of land use rights	-	(38,311)	-	(14,148)
Compensation received for expropriated land	-	4,514	-	4,514
Prepayments	-	(2,165)	(7,000)	(2,165)
Currency translation difference on investing activities	1,632	88	9,629	88
Net cash used in investing activities	(9,877)	(52,536)	(9,285)	(52,732)

<u>The Group</u>	3 Months Ended		Half-Year Ended	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flow from financing activities				
Issue of new shares	-	79,420	-	93,080
Currency translation difference on financing activities	(1,702)	(342)	(9,175)	(342)
Net cash (used in)/generated from financing activities	(1,702)	79,078	(9,175)	92,738
Net increase/(decrease) in cash and bank balances	(9,832)	63,145	(5,953)	72,119
Cash and bank balances at beginning of the financial period	37,291	16,634	34,454	7,384
Effect of foreign exchange rate changes in cash and bank balances	18	241	(1,024)	517
Cash and bank balances at end of the financial period	27,477	80,020	27,477	80,020

⁽¹⁾ This represents shiitake mushroom synthetic logs held by the Group.

⁽²⁾ 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.

The Group	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>
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	<u>135,176</u>	<u>2,077</u>	<u>31,385</u>	<u>852</u>	<u>235,458</u>	<u>404,948</u>
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	<u>135,176</u>	<u>5,593</u>	<u>46,056</u>	<u>801</u>	<u>294,023</u>	<u>481,649</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 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>
Balance as at 01.07.2011	135,176	2,077	4,018	765	142,036
Total comprehensive income/(loss) for the financial period	-	-	(8,516)	2,724	(5,792)
Balance as at 30.09.2011	<u>135,176</u>	<u>2,077</u>	<u>(4,498)</u>	<u>3,489</u>	<u>136,244</u>
Share-based payment reserve	-	3,516	-	-	3,516
Total comprehensive loss for the financial period	-	-	(1,683)	(4,062)	(5,745)
Balance as at 31.12.2011	<u>135,176</u>	<u>5,593</u>	<u>(6,181)</u>	<u>(573)</u>	<u>134,015</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.**

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 31 December 2011 and 31 December 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 31 Dec 2011	As at 30 June 2011
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 30 June 2011 except for the valuation of biological assets 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.

	3 Months Ended		Half-Year Ended	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
<u>The Group</u>				
Net profit after tax attributable to equity holders of the Company (RMB'000)	73,236	41,009	77,445	43,150
Number of ordinary shares ('000)	406,595	400,833	406,595	237,196
Earnings per share (RMB cents)				
- basic	18.0	10.2	19.0	18.2

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.

	3 Months Ended		Half-Year Ended	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
<u>The Group</u>				
Net profit after tax attributable to equity holders of the Company (RMB'000)	73,236	41,009	77,445	43,150
Number of ordinary shares ('000)	431,595	400,833	431,595	237,196
Earnings per share (RMB cents)				
- fully diluted	17.0	10.2	17.9	18.2

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 our Extraordinary General Meeting on 29 April 2011. 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 December 2011, none of the abovementioned 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		Half-Year Ended	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
<u>The Group</u>				
Number of ordinary shares ('000)	406,595	406,595	406,595	406,595
Earnings per share (RMB cents)				
- on a proforma basis	18.0	10.1	19.0	10.6

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 Dec 2011	30 Jun 2011
Net asset value per share (RMB cents)	118.5	98.7
Number of ordinary shares ('000)	406,595	406,595
<u>The Company</u>	31 Dec 2011	30 Jun 2011
Net asset value per share (RMB cents)	33.0	34.9
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 31 December 2011 ("2Q2012")

Revenue

Our revenue increased by approximately RMB102.8 million, from approximately RMB115.4 million during October to December 2010 ("2Q2011") to approximately RMB218.2 million in 2Q2012, an increase of approximately 89.1%.

The increase was mainly due to an increase of approximately RMB92.3 million, from approximately RMB75.8 million in 2Q2011 to RMB168.1 million in 2Q2012, in sales of self-cultivated shiitake mushrooms because of additional cultivation bases. In 2Q2012, we operated approximately 5,134 mu of cultivation bases as against approximately 2,614 mu in 2Q2011. We produced and sold approximately 25,000 tonnes of self-cultivated shiitake mushrooms in 2Q2012 as compared to approximately 11,300 tonnes in 2Q2011.

There was approximately RMB6.4 million generated from sales of approximately 1,360 tonnes of fresh black fungus in 2Q2012. 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 RMB4.2 million, from approximately RMB39.5 million in 2Q2011 to RMB43.7 million in 2Q2012. The increase arose from higher demand mainly from our export sales to the Japanese market and higher domestic sales, in particular, dried shiitake mushrooms and konjac-based processed food products.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB40.7 million or 85.4%, from approximately RMB47.6 million in 2Q2011 to approximately RMB88.3 million in 2Q2012 which was in line with the increase in our revenue.

Our overall gross profit margin remains relatively stable at approximately 40.5% in 2Q2012 (2Q2011: 41.3%).

The gross profit margin for our self-cultivation business segment decreased from approximately 49.8% in 2Q2011 to approximately 42.2% in 2Q2012 mainly due to the rising raw material cost of synthetic logs whereas our selling price of fresh shiitake mushrooms did not increase in tandem. The gross profit margin for self-cultivated black fungus was approximately 45.8% in 2Q2012. Revenue generated from our self-cultivated fungi was approximately 80.0% of our total sales in 2Q2012 as compared to approximately 65.7% in 2Q2011.

The gross profit margin for our processed food products business segment increased from approximately 23.4% in 2Q2011 to approximately 33.3% in 2Q2012 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.

Other operating income

Other operating income comprises mainly government grants and subsidies, interest income and other miscellaneous gains. Other operating income decreased from approximately RMB3.9 million in 2Q2011 to approximately RMB0.1 million in 2Q2012. This was mainly due to a one-off gain in 2Q2011 of approximately RMB3.4 million arising from the 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 ("Expropriated Land") located at Houyu Village, Jingxin Town, Fuzhou City, Fujian Province, PRC, which measures 20.75 mu (approximately 13,833.4 square metres).

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 December 2011. Hence, there was no change in fair value of biological assets recorded in the three months ended 31 December 2011.

Gain from changes in fair value of biological assets was approximately RMB14.6 million in 2Q2011 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 increased by approximately RMB1.3 million or 156.7%, from approximately RMB0.8 million in 2Q2011 to approximately RMB2.1 million in 2Q2012. 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 and amortisation of payment of grant towards sales and marketing costs to our newly appointed self-cultivated mushrooms distribution outlets in the PRC.

Administrative expenses decreased by approximately RMB8.8 million or 49.4%, from RMB17.9 million in 2Q2011 to RMB9.1 million in 2Q2012. 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 2Q2012. The decrease was partly offset by share-based payment under Yamada Performance Share Plan (the "Plan") of approximately RMB3.5 million. The Plan was approved and adopted by the shareholders at our Extraordinary General Meeting on 29 April 2011.

Other operating expenses increased by approximately RMB0.3 million or 18.2%, from RMB1.7 million in 2Q2011 to RMB2.0 million in 2Q2012. 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 RMB0.7 million in 2Q2012 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 a foreign exchange loss of approximately RMB1.0 million in 2Q2012.

Total comprehensive income for the period

The resulting comprehensive income for the quarter under review increased by approximately RMB33.2 million or 83.0%, from approximately RMB40.0 million in 2Q2011 to approximately RMB73.2 million in 2Q2012.

Review of performance for the half-year ended 31 December 2011 (“HY2012”)

Revenue

Our revenue increased by approximately RMB103.8 million, from approximately RMB148.1 million during July to December 2010 (“HY2011”) to approximately RMB251.9 million in HY2012, an increase of approximately 70.1%.

The increase was mainly due to an increase of approximately RMB92.3 million, from approximately RMB75.8 million in HY2011 to RMB168.1 million in HY2012, in sales of self-cultivated shiitake mushrooms because of additional cultivation bases. In HY2012, we operated approximately 5,134 mu of cultivation bases as against approximately 2,614 mu in HY2011. We produced and sold approximately 25,000 tonnes of self-cultivated shiitake mushrooms in HY2012 as compared to approximately 11,300 tonnes in HY2011.

There was approximately RMB6.4 million generated from sales of approximately 1,360 tonnes of fresh black fungus in HY2012. We started cultivation and sales of black fungus in February 2011 on leased cultivation bases of approximately 86 mu.

Sales of processed food products increased by approximately RMB5.2 million, from approximately RMB72.3 million in HY2011 to RMB77.5 million in HY2012. The increase arose from higher demand mainly from our export sales to the Japanese market and higher domestic sales, in particular, dried shiitake mushrooms and konjac-based processed food products.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB42.6 million or 74.4%, from RMB57.3 million in HY2011 to RMB99.9 million in HY2012 which was in line with the increase in revenue.

Our overall gross profit margin remains relatively stable at approximately 39.6% in HY2012 (HY2011: 38.7%).

The gross profit margin for our self-cultivation business segment decreased from approximately 49.8% in HY2011 to approximately 42.2% in HY2012 mainly due to the rising raw material cost of synthetic logs whereas our selling price of fresh shiitake mushrooms did not increase in tandem. The gross profit margin for self-cultivated black fungus was approximately 45.8% in HY2012. Revenue generated from our self-cultivated fungi was approximately 69.2% of our total sales in HY2012 as compared to approximately 51.2% in HY2011.

The gross profit margin for our processed food products business segment increased from approximately 26.2% in HY2011 to approximately 33.8% in HY2012 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.

Other operating income

Other operating income comprises mainly government grants and subsidies, interest income and other miscellaneous gains. Other operating income decreased from approximately RMB4.2 million in HY2011 to approximately RMB0.2 million in HY2012. In HY2011, Wangcheng received compensation from Fuzhou Government in relation to the Expropriated Land for approximately RMB3.4 million and gains on disposal of plant and equipment for approximately RMB0.5 million, which were not present in HY2012.

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 December 2011. Hence, there was no change in fair value of biological assets recorded in the half-year ended 31 December 2011.

Gain from changes in fair value of biological assets was approximately RMB14.6 million in HY2011 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 RMB3.1 million or 202.8%, from approximately RMB1.6 million in HY2011 to approximately RMB4.7 million in HY2012. 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) amortisation of payment of grant towards sales and marketing costs to our newly appointed self-cultivated mushrooms distribution outlets in the PRC, and (iii) increased level of advertisement and promotion expenses to enhance the brand awareness for our processed food products.

Administrative expenses decreased by approximately RMB9.4 million or 43.9%, from RMB21.3 million in HY2011 to RMB11.9 million in HY2012. 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 HY2012. 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.

Other operating expenses decreased by approximately RMB1.2 million or 36.0%, from RMB3.3 million in HY2011 to RMB2.1 million in HY2012. The maintenance cost of eucalyptus trees in our plantation forest decreased by approximately RMB1.5 million in HY2012 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 a foreign exchange loss of approximately RMB0.3 million in HY2012.

Total comprehensive income for the period

The resulting comprehensive income for the six months under review increased by approximately RMB34.5 million or 81.2%, from approximately RMB42.4 million in HY2011 to approximately RMB76.9 million in HY2012 mainly due to higher sales achieved during the current financial period.

STATEMENT OF FINANCIAL POSITION

Our non-current assets increased by approximately RMB12.8 million or 5.4%, from RMB237.5 million as at 30 June 2011 to RMB250.3 million as at 31 December 2011. The increase was mainly due to 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, 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 RMB92.4 million or 48.5%, from RMB190.5 million as at 30 June 2011 to RMB282.9 million as at 31 December 2011. The increase was mainly due to an increase in synthetic logs by approximately RMB107.6 million. The synthetic logs are used for the cultivation of our shiitake mushrooms during late September 2011 to April 2012 on approximately 5,134 mu cultivation bases. This increase was partially offset by the decrease in inventory level of approximately RMB3.7 million mainly due to lower raw material costs, in trade and other receivables of RMB4.5 million and in cash and bank balances of approximately RMB7.0 million.

Our current liabilities increased by approximately RMB24.8 million or 168.7%, from approximately RMB14.7 million as at 30 June 2011 to approximately RMB39.5 million as at 31 December 2011. 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 RMB80.3 million or 20.0% from RMB401.3 million as at 30 June 2011 to RMB481.6 million as at 31 December 2011 mainly due to the retention of net profit in HY2012.

STATEMENT OF CASH FLOWS

2Q2012

We continued to maintain a strong financial position with approximately RMB27.5 million in cash and bank balances as at 31 December 2011.

In 2Q2012, net cash generated from operating activities amounted to approximately RMB1.7 million. We generated net cash of approximately RMB162.5 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB158.5 million. This was mainly due to the purchase of synthetic logs of approximately RMB186.9 million which was recorded as other receivables prior to their utilisation. The cash outflow was partially offset by cash inflow from an increase in trade and other payables of approximately RMB21.0 million and a decrease in other receivables of approximately RMB7.4 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB2.3 million.

Net cash of approximately RMB9.9 million was used in investing activities for the purchase of property, plant and equipment of approximately RMB10.8 million and progressive payment of construction cost for our logistic facilities, new factory and office building at our PRC subsidiaries of approximately RMB0.7 million. Translation gain arising from investing activities was approximately RMB1.6 million as a result of appreciation of RMB against Singapore dollar during the financial period under review.

There were no financing activities in 2Q2012. However, translation loss arising from financing activities by translating the reserves from Singapore dollars into RMB presentation currency was approximately RMB1.7 million as a result of appreciation of RMB against Singapore dollar during the financial period under review.

HY2012

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 HY2012, net cash generated from operating activities amounted to approximately RMB12.5 million. We generated net cash of approximately RMB170.8 million from operating profits before working capital changes. Net cash used in working capital amounted to approximately RMB154.7 million. This was mainly due to the purchase of synthetic logs of approximately RMB186.9 million which was recorded as other receivables prior to their utilisation. The cash outflow was partially offset by cash inflow from an increase in other payables of approximately RMB24.7 million, a decrease in trade and other receivables of approximately RMB3.8 million and a decrease in inventories of approximately RMB3.7 million. Our operating cash flow from operations was reduced by income taxes payment of approximately RMB3.6 million.

We used net cash of approximately RMB9.3 million in investing activities. This was mainly for the purchase of property, plant and equipment of approximately RMB11.0 million, progressive payment of construction cost for our logistic facilities, new factory and office building at our PRC subsidiaries of approximately RMB0.9 million and payment of grant towards sales and marketing costs to our newly appointed self-cultivated shiitake mushrooms distribution outlets in the PRC of RMB7.0 million. Translation gain arising from investing activities was approximately RMB9.6 million as a result of appreciation of RMB against Singapore dollar during the financial period under review.

There were no financing activities in HY2012. However, translation loss arising from financing activities by translating the reserves from Singapore dollars into RMB presentation currency was approximately RMB9.2 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 first quarter 2012 results announcement released on 11 November 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 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.

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 half-year ended 31 December 2011.

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 ("IPT") during the three months and half-year ended 31 December 2011. The Group does not have a general mandate from shareholders for IPTs 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	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 December 2011 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 half-year ended 31 December 2011 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chen Qiuhai
Executive Chairman and CEO

10 February 2012