



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 GREEN RESOURCES' FY2010 NET PROFIT UP 26.5% TO RMB103.3 MILLION

- *FY2010 Revenue rose 32.9% on higher demand for self-cultivated shiitake mushrooms and processed food products*
- *FY2010 Gross profit margins improved to 41.8% from 40.0% in FY2009 due to higher average selling price and higher revenue contribution from self-cultivated shiitake mushrooms*
- *The Group's growth strategies include expanding its production capacity, its distribution network and its shiitake mushroom cultivation base; and securing an upstream supply of sawdust for cultivation of shiitake mushrooms*
- *Declaring final dividend of RMB0.043 per ordinary share subject to shareholders' approval*

Financial Highlights (RMB Million)	FY2010	FY2009	% Change
Revenue	314.0	236.2	32.9
Gross Profit	131.2	94.6	38.7
Gross Profit Margin (%)	41.8	40.0	NM
Profit before Tax	118.0	91.8	28.6
Profit after Tax	103.3	81.7	26.5

Singapore, 25 February 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 shiitake mushrooms 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 full year ended 31 December 2010 (“FY2010”).

Results Highlights

For FY2010, Yamada reported a net profit after tax of RMB103.3 million, up 26.5% from RMB 81.7 million in FY2009. This double-digit growth in the bottom line was achieved on the back of a 32.9% increase in group revenue which crossed the RMB300 million mark to reach RMB314.0 million.

The improvement in revenue was mainly attributable to the 37.3% increase in the sales of self-cultivated mushrooms from RMB125.5 million in FY2009 to RMB46.8 million in FY2010. The higher sales was in turn due to the fact that during FY2010, Yamada operated on larger cultivation bases of approximately 2,213 mu^{#1} for self-cultivated shiitake mushrooms during January 2010 to April 2010 and approximately 2,614 mu during October 2010 to December 2010 as compared to an aggregate of approximately 1,660 mu of cultivation bases from January 2009 to April 2009 and approximately 2,213 mu from September 2009 to December 2009. Yamada also benefited from a higher average selling price of fresh self-cultivated shiitake mushrooms which were sold at RMB6.60 per kg in FY2010, up 13.8% compared to RMB5.80 per kg in FY2009.

Revenue of processed food products also increased by RMB30.9 million or 27.9% to RMB 141.7 million in FY2010 from RMB110.8 million in FY2009. This revenue increase was mainly due to increased export sales of dried shiitake mushrooms, water-boiled bamboo shoot products and other dried/water-boiled vegetable products, as a result of the improved sentiments of Yamada’s Japanese customers towards PRC food products. Domestic sales of konjac instant noodles (a convenience food product) and other processed food items also improved, in tandem with rising food consumption in the PRC.

In line with the revenue increase, FY2010’s gross profit improved by 38.7% to RMB 131.2 million from RMB94.6 million in the previous corresponding period. Gross profit margin also improved from 40.0% in FY2009 to 41.8% in FY2010. This was attributable to the

increased revenue contribution from self-cultivated shiitake mushrooms, which generally commanded higher gross profit margin compared to processed food products.

Self-cultivated shiitake mushrooms accounted for 54.9% of total revenue in FY2010, as compared to 53.1% in FY2009. The gross profit margin of self-cultivated shiitake mushrooms improved from approximately 46.6% in FY2009 to approximately 51.8% in FY2010, mainly due to increased average unit selling price, as a result of price increase for agricultural goods.

Other operating expenses increased by approximately RMB6.3 million from RMB0.2 million in FY2009 to RMB6.5 million in FY2010, as a result of the maintenance costs of eucalyptus tree of approximately RMB6.3 million incurred in FY2010, which was absent in FY2009.

Dividend

To reward its shareholders and in view of its good financial results, the Board of Directors has recommended a final dividend of RMB0.043 per ordinary share for approval by shareholders at its upcoming Annual General Meeting.

Financial Strength

Yamada continued to maintain a strong financial position in FY2010. As at 31 December 2010, the Group's cash and bank balances stood at RMB80.0 million as against RMB5.0 million on 31 December 2009.

Mr Chen Qiu Hai (陈秋海), Yamada's Executive Chairman and CEO, commented: "We are delighted to have achieved a set of good results for FY2010. Using the funds raised from the IPO, we have put our growth strategies in place and we are set to capitalise on the market potential in China."

"We believe that the growing disposable income in the PRC as well as the greater emphasis on green and healthy foods are factors that will create increased demand for some of our key products such as shiitake mushrooms and konjac-based processed food," added Mr Chen.

Future Outlook & Growth Strategies

According to the report from the Department of Agriculture Fujian Province (“DAFP”), total volume of fresh shiitake mushrooms sold in the PRC increased from approximately 800,080 tonnes in FY2007 to approximately 1.15 million tonnes in FY2009. Furthermore, DAFP has forecast the increase in demand for fresh shiitake mushrooms in the PRC from 2010 to 2012 to be approximately 1.38 million tonnes, 1.59 million tonnes and 1.82 million tonnes respectively.

To capitalise on potential growth opportunities, the Group has started to execute its growth strategies which are detailed below:

Expanding shiitake mushroom cultivation bases

Yamada currently operates shiitake mushroom cultivation bases measuring an aggregate of 2,614.4 mu. In FY2011, the Group intends to expand its shiitake mushroom cultivation bases through the leasing of additional plots of agricultural land measuring an aggregate of approximately 2,500 mu located in Fujian Province, PRC. The tenure of such leases is expected to be for a period of approximately 20 years.

Expanding upstream eucalyptus plantations

Yamada also currently operates eucalyptus plantations covering an aggregate area of approximately 30,000 mu. The Group intends to expand its eucalyptus plantations through acquiring additional non-mature eucalyptus plantations and the corresponding forestry land use rights measuring approximately 20,000 mu in FY2011. The additional eucalyptus plantations are expected to be mature for harvesting from 2014.

To achieve upstream resource sustainability, the eucalyptus sawdust from its existing and additional plantations to be utilised in the production of synthetic logs will be able to satisfy approximately 1,000 mu, 4,000 mu and 5,000 mu of its shiitake mushroom cultivation bases in 2012, 2013 and from 2014 respectively onwards.

Expanding distribution and marketing network

The Group also intends to establish its own distribution and marketing network to reach out to customers of its self-cultivated shiitake mushrooms in other parts of PRC beyond Fujian Province, PRC. It plans to establish an additional six distribution outlets and

appoint additional five distribution agents in Guangdong, Jiangxi and Hubei Provinces, PRC by the end of FY2011.

These locations are well-established food distribution hubs and markets where Yamada does not have any existing customer base. By moving down the supply chain through the establishment of the distribution outlets, the Group would be in a better position to manage and drive its marketing efforts and promote its self-cultivated shiitake mushrooms.

The Group also intends to establish a logistics centre by the end of FY2011, in Zhangping City, Fujian Province, PRC to streamline and improve the inventory and distribution management in view of the expected increase in output of self-cultivated shiitake mushrooms following the expansion of their shiitake mushroom cultivation bases and the broader geographical regions where the products are sold following the establishment of the distribution outlets.

Expanding production capacity of konjac-based processed food products

In order to meet the anticipated increase in demand for Yamada's konjac-based processed food products, the Group has acquired an additional production line and relevant auxiliary facilities and equipment for the processing of konjac instant noodles in 4Q2010. This has increased its annual processing capacity of konjac instant noodles by approximately 60% to approximately 20 million cups per annum.

Barring unforeseen circumstances, the Group is optimistic about its performance in FY2011.

- End -

Footnote:

#1: 1 mu is equivalent to approximately 667 square metres

About Yamada Green Resources Limited

Yamada is a major supplier of shiitake mushrooms, operating one of the largest shiitake mushrooms cultivation bases of 2,614.4 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 provides 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, Shenzhen and Guangzhou 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.

For enquiries, please contact:

Ms Yang Lin, Chief Financial Officer

Yamada Green Resources Limited

Email : yanglin@yamada-green.com

Contact : +65-91473928