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Media Release

Yamada Green Resources' records 54.1% growth in net profit for 9M2010 to RMB62.3 million

- *Gross profit margins for 9M2010 improved to 42.1% from 39.0% in 9M2009*
- *Planting and harvesting season for self-cultivated shiitake mushrooms began in early October and will continue to April next year*

Financial Highlights (RMB 'million)	9 months ended 30 September		
	2010	2009	% change
Revenue	198.6	138.3	+43.6
Gross Profit	83.6	54.0	+54.9
<i>Gross Profit Margin</i>	<i>42.1%</i>	<i>39.0%</i>	<i>+3.1 %pts</i>
Profit before Tax	72.3	47.2	+53.3
Profit after Tax	62.3	40.5	+54.1
<i>Profit after Tax Margin</i>	<i>31.4%</i>	<i>29.2%</i>	<i>+2.2 %pts</i>
Total comprehensive income*	62.6	40.5	+54.8

*Inclusive of foreign currency translation reserve

Singapore, 12 November 2010 – SGX Mainboard-listed Yamada Green Resources Limited (“Yamada”, “the Group” or “山田绿色资源有限公司”), a major supplier of self-cultivated shiitake mushrooms and manufacturer and supplier of processed food products in Fujian Province, PRC, would like to announce its financial results for the nine months ended 30 September 2010 (“9M2010”).

Results Highlights

Revenue increased by 43.6% from RMB138.3 million in the nine months ended 30 September 2009 (“9M2009”) to RMB198.6 million in 9M2010.

The revenue increase was mainly attributable to the 55.0% increase in Yamada's self-cultivated mushrooms from 62.2 million in 9M2009 to RMB96.4 million in 9M2010. This was because Yamada operated an aggregate of approximately 2,213 mu of cultivation bases for self-cultivated shiitake mushrooms in 9M2010 compared to 1,660 mu in 9M2009. The average selling price of fresh self-cultivated shiitake mushrooms was also higher at RMB6.5/kg for the period under review, representing an 8.3% or RMB0.5/kg increase compared to 9M2009.

Mr Chen Qiu Hai (陈秋海), Yamada's Executive Chairman and CEO commented: ***"I am pleased with our performance for the nine months of this year. The planting and harvesting season of our shiitake mushrooms, which has higher gross profit margins, has already started in early October and will continue to April next year."***

Sales of processed food products increased by 34.3% to RMB102.2 million in 9M2010, from RMB76.1 million in 9M2009. The revenue increase from processed food products was mainly due to increased export sales of dried shiitake mushrooms, water-boiled bamboo shoots products and other dried/water-boiled vegetable products resulting from the improved sentiments of our Japanese customers towards PRC food products. Corresponding with rising demand in the PRC, domestic sales especially for konjac instant noodles¹ and other processed food products also improved.

For 9M2010, gross profit rose even higher by 54.9% to RM83.6 million from RM54.0 million in the previous corresponding period. Gross profit margin improved from 39.0% in 9M2009 to 42.1% in 9M2010. This was mainly due to the increased revenue contribution from self-cultivated shiitake mushrooms, which generally commanded higher gross profit margin compared to processed food products. The revenue contribution from self-cultivated shiitake mushrooms as a proportion of total revenue increased from 44.9% in 9M2009 to 48.6% in 9M2010 with approximately 2,213 mu of shiitake mushroom cultivation bases in operation during the period compared to approximately 1,660 mu for 9M2009.

¹ A convenience food product

Yamada also received other operating income of RMB1.0 million in 9M2010 mainly from government grants and subsidies², which contributed to an overall increase of 215.5% to RMB1.5 million, from RMB0.5 million in 9M2009.

Selling and distribution expenses for 9M2010 increased by 95.0% to RMB2.2 million from RMB1.1 million in 9M2009. This was mainly due to the increases in salaries of sales and marketing personnel, freight charges and transportation costs. Administrative expenses rose 31.5% from RMB6.1 million in 9M2009 to RMB8.0 million in 9M2010 due to the increase in salaries and salary-related costs. Other operating expenses also increased to RMB4.8 million in 9M2010, due to the maintenance costs for Yamada's eucalyptus tree plantations, which were first acquired in September 2009. Yamada had a gain from changes in the fair value of biological assets of RMB2.2 million in 9M2010.

As a result of the above, the comprehensive income³ for the nine months under review increased by 54.8% to RMB62.6 million from RMB40.5 million in 9M2009.

Strong Financial Position

In 9M2010, Yamada generated net cash from operating activities amounted to RMB75.5 million, which is due to its revenue growth and efficient working capital management. The Group also invested net cash of RMB77.5 million for: the purchase of eucalyptus trees (RMB48.4 million); the purchase of land use rights for three eucalyptus plantations (RMB25.6 million); deposits paid for operating leases for additional shiitake mushroom cultivation bases (RMB2.8 million); and the purchase of property, plant and equipment (RMB0.7 million).

Outlook

Yamada was successfully listed on the SGX Mainboard on 8 October 2010, issuing 74,911,957 new shares and raising net proceeds of approximately S\$13.8 million. The proceeds from the IPO will be used primarily for the expansion of its shiitake mushroom

² Such as the award received this year by wholly-owned subsidiary Wangcheng as Fujian Provincial Key Dragon Head Enterprise for example.

³ Net profit after income tax with addition of foreign currency translation reserve of RMB276,000 in 9M2010.

cultivation bases and eucalyptus plantations, as well as establishing its own distribution and marketing network and strengthening its processing capabilities of its konjac-based processed food products.

“We are now using an aggregate of 2,614.4 mu of land for the cultivation of shiitake mushrooms compared to the aggregate of 2,213.5 mu last year. Furthermore, we are planning to lease an additional 2,500 mu in the first quarter of next year to expand our shiitake mushroom cultivation bases.” Mr Chen added.

Aiming to ride on the healthy diet trend, Yamada expects the demand for konjac-based products to steadily increase, allowing its own brand of konjac instant noodles to bring in more revenue. It will also continue to improve revenue contribution from self-cultivated shiitake mushroom and from the PRC domestic market.

Barring unforeseen circumstances, Board of Directors believe that the Group will continue to be profitable for the remaining year of FY2010.

- End -

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 20,000 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, 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.

Issued for and on behalf of Yamada Green Resources Limited by Cogent Communications Pte Ltd

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