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MEDIA RELEASE

YAMADA RECORDED 1Q2013 EARNINGS AT RMB1.0 MILLION ON REVENUE OF RMB33.0 MILLION

- **1Q2013 net profit contracted by 76.2% on higher raw material costs and sales and marketing staff costs in processed food business segment, and increased maintenance costs of eucalyptus plantations.**

Financial Highlights (RMB Million)	3 months ended September 2012 (“1Q2013”)	3 months ended September 2011 (“1Q2012”)	Changes
Revenue	**33.0**	33.8	-2.2%
Gross Profit	**9.7**	11.6	-16.7%
Gross Profit Margin (%)	**29.4**	34.5	-5.1ppt
Profit after Tax	**1.0**	4.2	-76.2%

Singapore, 30 October 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 first quarter ended 30 September 2012 (“1Q2013”).

1Q2013 Results Highlights

Our revenue remained relatively stable at approximately RMB33.0 million in 1Q2013 as compared with approximately RMB33.8 million in the three months ended 30 September 2011 (“1Q2012”).

During the three months ended 30 September each year, our revenue is solely generated from sales of processed food products which we sold to both overseas and domestic PRC market. The demand for our processed foods products such as dried mushrooms, water-boiled/dried vegetables and konjac-based dietary fibre food products (mainly convenience food products) remained relatively constant in 1Q2013.

Our gross profit decreased by approximately RMB1.9 million or 16.7%, from RMB11.6 million in 1Q2012 to RMB9.7 million in 1Q2013 mainly due to declined gross profit margin.

The gross profit margin decreased from approximately 34.5% in 1Q2012 to approximately 29.4% in 1Q2013. The raw material costs of our processed food products, in particular, bamboo shoots, have been increased by approximately 23% as compared to the same period last year while the average unit selling price have been increased by approximately 12%. However, the drop in gross profit margin was mitigated by our other processed food products, such as dried shiitake mushroom, which the raw material costs have been decreased by approximately 7% as compared to the same period last year while the average unit selling price have been remained relatively stable.

Selling and distribution expenses increased by approximately RMB0.7 million or 53.1%, from approximately RMB1.5 million in 1Q2012 to approximately RMB2.2 million in 1Q2013. This was mainly due to the increase in salaries of approximately RMB1.0 million as a result of higher headcounts of our sales and marketing staff. The increase was partly offset by the absence of expenditures incurred on consultancy fees in 1Q2012 to engage a brand consulting firm for branding, repositioning and marketing our konjac-based dietary fibre food products in PRC market.

Administrative expenses increased by approximately RMB0.5 million or 11.9%, from approximately RMB4.0 million in 1Q2012 to approximately RMB4.5 million in 1Q2013. This was mainly due to higher amortisation of land use rights due to addition of eucalyptus trees plantations acquired in December 2011 and industrial land acquired in July 2012.

Other operating expenses increased by approximately RMB0.9 million or 97.1%, from RMB0.9 million in 1Q2012 to RMB1.8 million in 1Q2013. This was mainly due to the increase in the maintenance cost of eucalyptus trees in our plantation forest as a result of additional 20,936 mu eucalyptus trees plantations acquired in December 2011.

Mr Chen Qiuhai (陈秋海), Yamada’s Executive Chairman and CEO, commented: “As 1Q2013 was Yamada’s low season, I expect the Group to continue to benefit from our self-cultivation business segment during our harvest seasons.”

“As we enter the seasonally stronger period for harvesting and sales of self-cultivated edible fungi products, we should look forward to a better performance. Overall, I expect sales momentum of self-cultivated edible fungi products to remain stable and contribute positively to the Group earnings for the full year in 2013. ”

“Apart from our self-cultivation segment, we will continue to develop our processed food products in a bid to increase our revenue base and reduce seasonality effects during low seasons in our cultivation segment. We believe this will stand us in good stead in the challenging operating environment.”

Future Outlook & Growth Strategies

Despite modest economic growth in the PRC, we believe that increasing urbanization and greater consumers' awareness to healthy food will provide growth opportunities for the Group's convenience food products, such as konjac-based dietary fibre food products. Likewise, demand for our self-cultivated edible fungi will continue to remain healthy. Shiitake mushrooms, in particular, are widely recognized as one of the most popular edible mushrooms in the PRC, for its favorable taste and health benefits.

*1 mu is equivalent to approximately 667 square metres

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About Yamada Green Resources Limited

Yamada is a major grower and 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. The sawdust made from eucalyptus trees will be raw materials to produce synthetic logs used in cultivation of edible fungi in the near future.

Yamada's products include self-cultivated edible fungi, which are mainly sold as fresh produce to wholesalers of agricultural food products in PRC. Yamada is also manufacturer and supplier of processed food products, such as processed mushrooms, processed vegetables and konjac-based dietary fibre food products. 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.

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