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MEDIA RELEASE

YAMADA'S 3Q12 NET PROFIT GREW 29.1% TO RMB81.5 MILLION ON REVENUE OF RMB242.9 MILLION

- ***3Q12 revenue up 48.1% on the back of strong sales of self-cultivated edible fungi products***
- ***Sales of self-cultivated edible fungi jumped 57.5% to RMB201.7 million in 3Q12 due to progressive expansion of cultivation farmland***
- ***Revenue from self-cultivated edible fungi products contributed 83.0% to Group revenue in 3Q12 compared to 78.1% in 3Q11***
- ***Steady growth in processed food product segment due to higher export sales and new konjac-based product for domestic market***

Financial Highlights (RMB Million)	3Q12	3Q11	Change
Revenue	242.9	164.0	48.1%
Gross Profit	95.1	73.6	29.1%
Gross Profit Margin	39.1%	44.9%	-5.8 ppt
Profit after Tax	81.5	63.1	29.1%
Earnings per share On Profoma basis (RMB cents)	19.8	15.5	4.3

Singapore, 10 May 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 our financial results for the third quarter ended 31 March 2012 ("3Q12").

3Q12 Results Highlights

Yamada's revenue grew 48.1% YoY to RMB242.9 million in 3Q12 on strong growth in both our self-cultivated edible fungi and processed food segments. Our 3Q12 net profit after tax grew 29.1% YoY to RMB81.5 million from RMB63.1 million. Overall gross margin fell to 39.1% in 3Q12 from 44.9% in 3Q11 due mainly to a fall in gross margins in our self-cultivated edible fungi segment.

Self-Cultivated Edible Fungi Segment

Our self-cultivated edible fungi products remain the Group's main contributor of revenue and driver of growth. The segment made up 83.0% of our 3Q12 sales versus 78.1% in 3Q11.

Sales of self-cultivated shiitake mushrooms rose to RMB194.4 million in 3Q12 from RMB123.5 million in 3Q11 (up 57.4% YoY) due to the increase in cultivation bases. In 3Q12, we operated about 5,134 mu of shiitake mushroom cultivation bases as against approximately 2,614 mu in 3Q11. We produced and sold about 28,500 tonnes of shiitake mushrooms in 3Q12 (3Q11: 17,700 tonnes). The lower yield is due primarily to climate changes as we experienced exceptionally wet weather during the period between January and March 2012. The relatively higher production rate in 2Q12 compared to 2Q11 has also resulted in a relatively lower production rate in the current quarter under review.

Sales of fresh produce of self-cultivated black fungus increased from RMB4.6 million in 3Q11 to RMB7.3 million in 3Q12. This was due mainly to a 50% increase in production from the comparative quarter. The average selling price of black fungus also increased from about RMB4.5 per kg in 3Q11 to RMB4.7 per kg in the current quarter. We started cultivation and sales of black fungus in February 2011 on leased cultivation bases of approximately 86 mu.

Processed Food Products Segment

Sales of processed food products increased from RMB35.9 million in 3Q11 to RMB41.3 million in 3Q12 (15% YoY growth). The increase arose mainly from higher export sales to the Japanese market, particularly water-boiled bamboo shoots and dried vegetables. In the domestic market, our newly launched konjac-based dietary fibre food product contributed to the bulk of the increase in domestic sales. Our domestic sales made up about one third of total revenue from processed food products segment.

Gross profit margin for the segment increased from 25.8% in 3Q11 to 32.2% in 3Q12 due to rising average selling prices and easing raw material costs of our processed food products, particularly dried shiitake mushroom and bamboo shoots which have been declining gradually from their peak in November 2011. The major raw material prices have since stabilised.

Operating Expenses

Selling and distribution expenses decreased from RMB2.7 million in 3Q11 to RMB2.0 million in 3Q12. This was mainly due to the savings on sales commission paid to certain new customers of our self-cultivated shiitake mushroom in 3Q11 compared with the amortisation of payment of grant towards sales and marketing costs to our newly appointed self-cultivated mushrooms distribution outlets in the PRC in 3Q12. However, the decrease was partly offset by an increase in salaries of sales and marketing staff in view of the higher level of marketing activities carried out in both Japan and PRC market.

Administrative expenses increased from RMB4.3 million in 3Q11 to RMB7.2 million in 3Q12 mainly due to an additional RMB2.9 million in R&D expenses.

Future Outlook & Growth Strategies

Following the expansion of our self-cultivation segment in 2011, we manage to achieve sustainable growth in profitability on the back of consumers' greater emphasis in green and healthy foods with growing affluence and higher living standard in PRC. Consumer prices in PRC rose 3.6% over a year earlier, which was mainly driven by a 7.5% rise in food prices. The Group will continuously assess natural resource and labour market conditions. Once the conditions are optimal for further expansion, the Group will capture the growth opportunity by expanding cultivation of edible fungi.

The Group is increasing its sales and marketing of konjac-based convenience food products, particularly for the konjac drinks sold as 7th Element. In addition, edible fungi and other processed food products mainly processed bamboo shoots and processed mushrooms, are repackaged and marketed under a new brand, 7th Manor, for brand repositioning. The Group will continue to grow its own brand products and expand the sales and distribution network in PRC.

Stricter government environmental protection policy and depleting natural resources in PRC have led to rising cost of raw materials. In a bid to secure upstream resource sustainability for efficient control and management of the production costs, the Group has expanded its eucalyptus plantations to 51,193 mu in December 2011. From 2012 onwards, the Group will commence progressive harvesting of eucalyptus trees to produce sawdust which are major raw materials of synthetic logs for next shiitake mushroom harvest season.

Mr Chen Qiuhai (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 FY2012."**

“Barring unforeseen circumstances, we remain optimistic about our 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 edible fungi, such as shiitake mushrooms and black fungus, 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 konjac-based convenience 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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