



Yamada Green Resources Limited

(Company Registration No. 201002962E)
(Incorporated in the Republic of Singapore)

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 (the "IPO") 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.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The Board of Directors (the "Board") of Yamada Green Resources Limited (the "Company" and together with its subsidiaries the "Group") refers to the issue of 74,911,957 new shares at S\$0.22 each in the capital of the Company pursuant to the IPO of its shares on 8 October 2010.

Pursuant to the announcement made on 18 April 2011, the Company wishes to announce that the Group had made payment for the various agreements (collectively, the "**Agreements A**") to invest an aggregate of approximately **RMB24.0 million** (approximately equivalent to **S\$4.6 million***) to expand our shiitake mushroom cultivation bases measuring approximately 1,678 mu**. The total investment, including construction costs of infrastructure at shiitake mushroom cultivation bases, the first year annual rental payment and rental prepayments for approximately 13 years, will be funded from the net proceeds from the IPO.

The Company also wishes to announce that, pursuant to the announcement made on 15 June 2011, the Group had entered into collaboration agreements (collectively, the "**Agreements B**") with its newly appointed 12 distributors to expand sales and distribution network for self-cultivated shiitake mushrooms. The total cost was **RMB12.0 million** (approximately equivalent to **S\$2.3 million***) which will be partially funded from the net proceeds from the IPO.

The following table summarises the use of the net proceeds from the IPO to-date:

| Future Plans | Proposed | Utilisation pursuant to the agreements as announced on 1 Dec 2010 and 23 Dec 2010 | Utilisation pursuant to the Agreements A and Agreements B | Unutilised |
|--|---------------------|---|---|--------------------|
| | SGD | SGD | SGD | SGD |
| Expand our shiitake mushroom cultivation bases | 4.6 million | - | 4.6 million | - |
| Expand our eucalyptus plantations | 5.0 million | 5.0 million | - | - |
| Establish our own distribution and marketing network | 2.0 million | - | 1.0 million | 1.0 million |
| Strengthen processing capabilities of our konjac-based processed food products | 1.8 million | 0.5 million | - | 1.3 million |
| Balance as working capital | 0.1 million | - | 0.1 million | - |
| Total | 13.5 million | 5.5 million | 5.7 million | 2.3 million |

The utilisations pursuant to Agreement A are in accordance with the intended use of the proceeds from the IPO as stated in the Prospectus dated 29 September 2010.

The utilisations pursuant to Agreement B is not in accordance of the stated use in the Company's prospectus dated 29 September 2010, wherein it was stated that, the Group intended to utilise S\$1.0 million (equivalent to approximately RMB5.1 million) of the IPO proceeds on the setting up of eight of its own distribution outlets. However the Company intends to achieve the same result of expanding its distribution and marketing network to reach out to customers for our self-cultivated shiitake mushrooms in other parts of PRC beyond Fujian Province, PRC through the above collaborations.

The Company will make further announcements via SGXNET when the remaining proceeds of the Company's IPO are materially disbursed. The Company would also provide a status report on the use of IPO proceeds in the annual report of our Company.

By order of the Board

Chen Qiu Hai
Executive Chairman and CEO
15 June 2011

*Based on the exchange rate of RMB5.2549: SGD1.00 as at 14 June 2010

**1 mu is equivalent to approximately 667 square metres