



Yamada Green Resources Limited
(Company Registration No. 201002962E)
(Incorporated in the Republic of Singapore)

NEW PRODUCT – CULTIVATION OF BLACK FUNGUS

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 (“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.

The Board of Directors (the “Board”) of the Company is pleased to announce that its wholly-owned subsidiary, Zhangping Fengwang Agricultural Products Co., Ltd (“Fengwang”) has commenced a feasibility study of small scale cultivation of black fungus (木耳) with the lease from Zhenban Village Committee, Xinqiao Town, Zhangping City, Fujian Province, of existing black fungus (木耳) cultivation plots measuring 86 mu* with an annual production capacity of approximately 2.8 tonnes of fresh black fungus (木耳).

The cultivation of black fungus (木耳) forms part of the Company’s continuous efforts to improve its range of self-cultivated products and capitalise on the cultivation knowledge, experience and expertise of the Management.

The term of the lease of the black fungus (木耳) cultivation plots is from 1 February 2011 to 30 June 2014. Fengwang has also entered into an agreement with Zhenban Village Committee, pursuant to which, among others, the Zhenban Village Committee, shall procure the individual farmers to provide labour services in relation to the day to day management and farming (including daily maintenance, harvesting, sorting, transportation, etc.) of the cultivation plots.

The above investment, including the rental expenses for the entire lease period, amounts to approximately **RMB6.4 million** (approximately equivalent to **SGD1.2 million****) and would be funded from the Group’s internal resources.

The above transaction is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2011.

None of the Directors or Substantial Shareholders of the Company has any interest in the above transaction.

By order of the Board

Chen Qiuhai
Executive Chairman and CEO

2 February 2011

*1 mu is equivalent to approximately 667 square metres

**Based on the exchange rate of RMB5.123: SGD1.00 as at 31 January 2011