



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.

UPDATE ON THE PRODUCTION OF SYNTHETIC LOGS

The Board of Directors of Yamada Green Resources Limited (the "Company") refers to the Company's Prospectus dated 29 September 2010, in particular the sections entitled "General information on the Group", "Competitive Strengths" and "Business Strategies and Future Plans", on the Group's potential upstream resource sustainability, arising from the use of synthetic logs made from eucalyptus sawdust from the Group's existing and additional eucalyptus plantations. The Company has stated that the eucalyptus sawdust from the Group's existing and additional eucalyptus plantations will be utilised in the production of synthetic logs from 2012 onwards.

The Board wishes to update as follows:

- (a) The Group has applied for but to date has not obtained the logging licence from Longyan Municipal Bureau of Forestry, Fujian Province to harvest the eucalyptus trees from our eucalyptus plantations to produce sawdust as raw materials for the production of the synthetic logs;
- (b) The Longyan Municipal Bureau of Forestry, Fujian Province has issued a directive dated 31 March 2012 which suspended all harvesting of natural broad-leaved (which include eucalyptus) forests from 1 April 2012 to 31 December 2016. Though the Group's eucalyptus plantations are planted forests, or man-made plantations, and are thus not covered by the directive, the delay of the grant of the logging licence to the Group may have arisen from the overall tightening of its policy on harvesting; and
- (c) The Group would continue to pursue its application for the logging licence and in the meantime would continue to source our full requirements of synthetic logs from the Villages Committees who are our existing suppliers.

This delay is not expected to have any material adverse impact on the earnings per share or the net tangible assets of the Company for the current financial year FY2012.

By order of the Board

Chen Qiu Hai
Executive Chairman and CEO

31 May 2012