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MEDIA RELEASE

YAMADA SEALS NEW LEASE AGREEMENTS TO EXPAND SHIITAKE MUSHROOM CULTIVATION BASES BY 96.4%

- Newly leased mushroom cultivation bases of 842 mu* is expected to be ready in time for next harvest season between late September 2011 and April 2012
- In addition to the 1,678 mu of shiitake mushroom cultivation bases leased in April 2011, total cultivation bases leased to date will be increased significantly by 96.4% to 5,134 mu in June 2011 as compared with 2,614 mu in 2010
- Expects positive contribution to Group earnings in 2011 and 2012
- Gross profit margin for self-cultivated shiitake mushrooms is the highest within the Group and expected to have positive impact to Group profit margin as revenue contribution increases

Mushroom Cultivation Bases Expansion Progress

	As at Dec 2008	As at Dec 2009	As at Dec 2010	As at Apr 2011	As at Jun 2011	Jun 2011 vs Dec 2010
Cumulative cultivation bases (approximates)	1669 mu	2213 mu	2614 mu	4292 mu	5134 mu	+96.4%

Singapore, 29 June 2011 – SGX Mainboard-listed Yamada Green Resources Limited 山田绿色资源有限公司 (“Yamada” and together with its subsidiaries “the Group”), a major supplier of self-cultivated edible fungus as well as a manufacturer and distributor of processed food products in Fujian Province, People’s Republic of China (“PRC”), is pleased to announce that the Group has entered into agreements with 3 parties representing Villagers’ Committee of Zhangping City, Fujian Province, PRC to lease shiitake mushroom cultivation bases measuring approximately 842 mu*. The lease agreements are for a period of 17 years and

the Group is entitled to use each plot of the cultivation bases between 25 September and 25 April each year starting from 25 September 2011.

Mr Chen Qiu Hai (陈秋海), Yamada's Executive Chairman and CEO, commented, "We are delighted to finally secure the second major plot of cultivation land this year. In addition to the 1,678 mu of shiitake mushroom cultivation bases leased recently in April 2011, Yamada's total cultivation bases leased to date will increase by approximately 2,520 mu to 5,134 mu in June 2011. This represents a significant increase of 96.4% when compared to the 2,614 mu of cultivation bases we had in 2010. As a result, the growth momentum of our mushroom cultivation bases in 2011 will be significantly higher than the cultivation bases growth of 18.1% in 2010 and 32.6% in 2009."

Mr. Chen added, "Our initial plan to expand the mushroom cultivation bases by 2,500 mu by the first quarter of 2011 was delayed due to longer time required to finalize the agreements with various Villagers Committee in view of higher land costs. The good news is that the slight delay is not expected to impact our growth prospects in 2011 and 2012 because the new cultivation land being acquired will only be put to use during the next harvest season from late September 2011 to April 2012 onwards. As such, this latest expansion plan is expected to contribute positively to our earnings in 2011 and 2012."

The total investment for 842 mu, including the construction costs of infrastructure at shiitake mushroom cultivation bases, first year annual rental payment and rental prepayments for approximately 13 years, amounts to approximately RMB12.0 million (equivalent to approximately SGD2.3 million**) which will be funded from internal sources.

Presently, gross profit margin for self-cultivated shiitake mushrooms remains the highest within the Group. As the Group expands its mushroom cultivation bases, revenue contribution from self-cultivated shiitake mushrooms is expected to increase. This may lead to a positive shift in product mix for the Group.

Looking ahead, the Group will continue to explore viable locations to expand its cultivation bases further for its self-cultivated edible fungus segment for products such as shiitake mushroom and black fungus when suitable opportunities arise.

*1 mu is equivalent to approximately 667 square metres

**Based on the exchange rate of RMB5.2083: SGD1.00

About Yamada Green Resources Limited

Yamada is a major supplier of edible fungus, operating one of the largest shiitake mushrooms cultivation bases of approximately 5,134 mu and black fungus cultivation bases of approximately 86 mu in Fujian Province, PRC. Yamada possesses potential upstream resource sustainability with its eucalyptus plantations of approximately 30,000 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 shiitake mushrooms.

Yamada's products include self-cultivated shiitake mushrooms, 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 convenience food products (mainly konjac-based). Its processed food products are sold in major cities in PRC such as Shanghai, Fuzhou, Xiamen and Chongqing under its trademarked brands such as “旺成食品”, “研食坊” and “懒人厨房”. Yamada also exports its processed food products to mainly Japan under its customers' own brands.

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