



**YAMADA GREEN RESOURCES LIMITED**  
(Company Registration No. 201002962E)  
(Incorporated in the Republic of Singapore)

---

## PROPOSED ACQUISITION OF MOSO BAMBOO PLANTATION

---

### 1. Introduction

The board of directors (the “**Board**”) of Yamada Green Resources Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that Nanping Lijashan Forestry Co., Ltd. (the “**Lessee**”), a wholly-owned subsidiary of the Company held through Nanping Yuanwang Foods Co., Ltd. (another wholly-owned subsidiary of the Company), has on 5 May 2014 entered into an agreement (the “**Agreement**”) with 浦城县闽浦丹桂苗木种植专业合作社 (Pu Cheng County Min Pu Osmanthus Seedling Plants Cooperative) (the “**Lessor**”), pursuant to which the Lessee shall acquire from the Lessor a lease for the moso bamboo plantation (the “**Plantation**”) for a period of 10 years from the date of the Agreement for an aggregate consideration of RMB78,900,500 (the “**Aggregate Consideration**”) (the “**Proposed Acquisition**”).

### 2. The Plantation

The Plantation, which is situated at Pucheng County, Fujian Province, People’s Republic of China, has gross land area measuring approximately 22,543 mu<sup>1</sup>.

The Plantation shall be used solely for the cultivation and harvest of moso bamboo, spring bamboo shoots and winter bamboo shoots.

Pursuant to Agreement, the Lessee shall be entitled to manage the Plantation and enjoy benefits generated from the Plantation. The Lessee shall also be entitled to sub-lease the Plantation to third parties, subject to the Lessor’s prior consent.

### 3. Total Aggregate Consideration

The Aggregate Consideration for the Proposed Acquisition is RMB78,900,500<sup>2</sup>, which is arrived on arms’ length negotiation and willing buyer and willing seller basis after taking into account the valuation commissioned by the Group. Based on the valuation report dated 2 April

---

<sup>1</sup> Equivalent to approximately 15,036,181 square metres based on the measurement of 1 mu: 667 square metres.

<sup>2</sup> Equivalent to approximately SGD16,061,007 based on the exchange rate of RMB 4.91255 : SGD1.00.

2014 (“**Valuation Report**”) commissioned by the Lessee and prepared by an independent valuer, 福建建友资产评估土地房地产估价有限责任公司, the market value of Plantation with a gross land area of approximately 22,543 mu<sup>3</sup> as at 28 February 2014 was RMB81,666,800<sup>4</sup>.

The Aggregate Consideration shall be payable in full to the Lessor within 10 days from the date of the Agreement.

#### **4. Rationale**

As announced by the Company previously, the Group acquired a mature moso bamboo plantation in April 2013, which have yielded positive results during second quarter of financial year ending 30 June 2014. The Proposed Acquisition presents valuable business opportunity for the Group to further expansion into bamboo plantation business segment.

The Group believes that the Proposed Acquisition could further enhance the Group’s upstream resource sustainability. For instance, the Group could secure constant supply of spring bamboo shoots, which is one of the main ingredients for the Group’s processed food products, from the Plantation. Further, the bamboo trees, which are used in a variety of applications such as building and renovation materials and in textile, paper and pulp industries, will generate additional income stream to the Group. The Group could further diversify risks from being largely dependent on the Group’s shiitake mushroom business segment.

The aggregate moso bamboo plantation of the Group will increase from 11,032 mu<sup>5</sup> to 33,575 mu<sup>6</sup> after the Proposed Acquisition.

#### **5. Source of Funds**

The Proposed Acquisition will be funded through the Group’s internal resources.

#### **6. Financial Effects**

6.1 The financial effects of the Proposed Acquisition on the Group are prepared based on the Group’s audited consolidated financial statements for the financial year ended 30 June 2013. For the purpose of computing the earnings per share (“**EPS**”) of the Group after the Proposed Acquisition, it is assumed that the Proposed Acquisition was completed on 1 July 2012. For the purpose of computing the net tangible assets (“**NTA**”) per share of the Group, it is assumed that the Proposed Acquisition was completed on 30 June 2013.

---

<sup>3</sup> Equivalent to approximately 15,036,181 square metres based on the measurement of 1 mu : 667 square metres.

<sup>4</sup> Equivalent to approximately SGD16,624,116 based on the exchange rate of RMB 4.91255 : SGD1.00.

<sup>5</sup> Equivalent to approximately 7,358,344 square metres based on the measurement of 1 mu : 667 square metres.

<sup>6</sup> Equivalent to approximately 22,394,525 square metres based on the measurement of 1 mu : 667 square metres.

It should be noted that the financial effects set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the completion of the Proposed Acquisition.

## 6.2 NTA per Share

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (RMB'000)	666,948	666,948
Numbers of shares ('000)	498,452	498,452
NTA per share (RMB cents)	133.8	133.8

## 6.3 EPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit for the year (RMB'000)	69,190	69,190
Weighted average number of shares ('000)	440,996	440,996
EPS (RMB cents)	15.7	15.7

## 7. Relative Figures computed based on Rule 1006 of Listing Manual of Singapore Exchange Securities Trading Limited

Rule	Relative Computation	Relative Figures
<b>1006(a)</b>	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	Not Applicable
<b>1006(b)</b>	The net profits attributable to the assets acquired or disposed of, compared to the Group's net profit.	Not Applicable
<b>1006(c)</b>	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares.	18.81% <sup>(1)</sup>
<b>1006(d)</b>	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable
<b>1006(e)</b>	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is not applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable

**Note:**

- (1) Based on the Aggregate Consideration of RMB78,900,500 and the market capitalization of the Company of S\$85,374,370 (equivalent to approximately RMB419,405,861 based on the exchange rate of RMB 4.91255 : S\$ 1.00), determined by multiplying the number of shares in issue of the Company (of 502,202,175 shares) by the weighted average price of S\$0.17 of such shares transacted on 2 May 2014, being the market day preceding the date of the Agreement.

As the applicable relative figure computed under Rule 1006(c) of Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) does not exceed 20%, the Proposed Acquisition constitutes a “Discloseable Transaction” as defined in Chapter 10 of the Listing Manual of SGX-ST.

**8. Interest of Directors and Controlling Shareholders**

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, save for their shareholding interest in the Company.

**9. Service Contracts**

No directors will be appointed to the Company in connection with the Proposed Acquisition.

**10. Documents for Inspection**

Copies of the Agreement and the Valuation Report are available for inspection during normal business hours at the Company’s registered office at 7 Temasek Boulevard #43-03 Suntec Tower One Singapore 038987 for a period of 3 months from the date of this Announcement.

By order of the Board

Chen Qiu Hai  
Executive Chairman and Chief Executive Officer  
12 May 2014