

YAMADA GREEN RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201002962E)
(the "Company")

PROPOSED SUBSCRIPTION OF 82,187,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.119 FOR EACH SUBSCRIPTION SHARE (THE "SUBSCRIPTION")

1. INTRODUCTION

The Board of Directors of Yamada Green Resources Limited (the "**Directors**") is pleased to announce that the Company has on 19 February 2013 entered into a conditional share subscription agreement (the "**Agreement**") with Hydrex International Pte Ltd (the "**Subscriber**").

Subject to and upon the terms of the Agreement, the Subscriber shall subscribe for 82,187,000 new shares in the share capital of the Company, representing approximately 16.49% of the share capital of the Company on an enlarged basis (the "**Subscription Shares**") to be allotted and issued by the Company (the "**Subscription**").

UOB Kay Hian Private Limited acted as placement agent of the Company in the Subscription.

2. TERMS OF THE SUBSCRIPTION

2.1. Issue Price

The Subscription Shares shall be allotted and issued at an issue price of S\$0.119 per Subscription Share (the "**Issue Price**"). The Issue Price represents a discount of approximately 10% based on the volume weighted average price for trades done on the preceding market day up to the time the Agreement was signed.

The Issue Price was arrived at following arm's length negotiations between the Company and the Subscriber.

The Subscription Shares will only be issued to the Subscriber and will not be issued to any of the persons listed in Rule 812(1)(a) to (d) of the Listing Manual and will be in compliance with Rule 812.

The Subscription Shares, when allotted and issued, shall rank *pari passu* in all respects with the existing Shares including rights to any dividend, right, allotment or other distributions, the record date for which falls on or after the date of completion of the Subscription (the "**Completion Date**").

2.2. Additional Listing Application

The Subscription will be undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the issuance of the Subscription Shares.

The Company will be making an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the Subscription Shares on the Official List of the SGX-ST.

2.3. Conditions for the Subscription

The Subscription is subject to the following conditions precedent set out in the Agreement:

- a) the SGX-ST being satisfied that the Subscription does not amount to a transfer of controlling interest to the Subscriber pursuant to Rule 803 of the Listing Manual;
- b) approval in principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended as at the Completion Date and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Subscriber (both acting reasonably) and, to the extent that any conditions for the approval in-principle are required to be fulfilled on or prior to the Completion Date, they are so fulfilled;
- c) the issue, allotment and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Agreement by any applicable legislative, executive or regulatory body or authority of Singapore which is applicable to the Company and/or the Subscriber;
- d) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Agreement untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date; and
- e) the Company and the Subscriber not being in breach of any of the undertakings and the covenants in the Agreement as at the Completion Date.

2.4. Completion of the Subscription

Completion is scheduled to take place on the date falling five (5) Business Days after satisfaction of the conditions precedent set out in paragraphs 2.3(a) and (b) above.

2.5. Board Representation

Subject to the approval of the nominating committee and the existing board of directors of the Company, the Subscriber shall be entitled to appoint a nominee to the board of directors of the Company, who will also be appointed the non-executive vice chairman of the board of directors.

3. SUBSCRIBER

The Subscriber is special purpose vehicle wholly owned by Mr Sam Goi Seng Hui. Mr Goi is the Executive Chairman of Tee Yih Jia Group (a global food and beverage group with operations in Singapore, Malaysia, USA, Europe and China); and Yangzhou Junhe Real Estate Group (a growing property development company in China). Apart from these core businesses, Mr Goi has investments across a range of listed and private entities in numerous industries, such as food and beverage, consumer essentials, recycling, distribution and logistics. Mr Goi also serves on the board of four other SGX-ST Mainboard-listed companies – as Chairman of GSH Corporation Limited, Vice-Chairman of Etika International Holdings Ltd, and Director of Tung Lok Restaurants (2000) Ltd.

The Subscriber has no connection (including business relationships) with the Company, its Directors and substantial shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the Listing Manual of the SGX-ST.

As at the date of this announcement, the Subscriber does not hold any Shares in the Company.

4. FINANCIAL EFFECTS OF THE SUBSCRIPTION

The illustrative financial effects of the Subscription on the net asset value and earnings of the Company are based on the audited consolidated financial statements of the Company and its subsidiaries (“Group”) for the period ended 30 June 2012.

Share Capital

As at the date of this Announcement, the issued and paid-up share capital of the Company is RMB139,005,000 divided into 416,265,175 Shares. Following completion, the issued and paid-up share capital of the Company will increase to RMB188,229,000 divided into 498,452,175 Shares, assuming an exchange rate of S\$1 : RMB5.033.

Net Asset Value

Assuming the Subscription was completed on 30 June 2012, the net asset value per Share would decrease from RMB1.329 to RMB1.203.

Earnings

Assuming the Subscription was completed on 1 July 2011, the effect of the Subscription on the earnings per share of the Group for the period ended 30 June 2012 would have decreased from RMB0.339 to RMB0.283.

Shareholders should note that the illustrative financial effects should not be construed to mean that the Group's actual results, performance or achievements will be as expected, expressed or implied in such financial effects after completion.

5. RATIONALE FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The net proceeds of S\$9,446,845, after deducting estimated expenses of approximately S\$333,408 pertaining to the Subscription (the "**Net Proceeds**") will be used to fund the future acquisition and expansion of the Company, as well as general working capital.

The actual apportionment of Net Proceeds for the aforementioned purposes will be subject to the relative timing of various requirements for funds, and the Company's overall objective of achieving an optimal cost of capital to fund its growth initiatives.

The Company will make periodic announcements on the utilisation of proceeds from the Subscription as and when such proceeds are materially disbursed.

6. AUTHORITY FOR THE ISSUANCE OF THE SUBSCRIPTION SHARES

The Subscription Shares are to be issued pursuant to the general share issue mandate approved by Shareholders at the Company's annual general meeting held on 29 October 2012.

As at 29 October 2012, the Company had 410,935,175 Shares in issue. Accordingly, the relevant share base for the purpose of computation of thresholds under the general mandate would be 410,935,175 Shares (the "**Share Base**"). The Subscription Shares represent approximately 20% of the Share Base, and approximately 16.49% of the enlarged issued share capital of the Company.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial shareholders of the Company have any interest, direct or indirect, in the Subscription (other than through their respective direct and indirect shareholdings in the Company).

8. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection at the Company's registered office at 6 Battery Road, #10-01, Singapore 049909 during normal business hours for a period of three (3) months commencing from the date of this Announcement.

BY ORDER OF THE BOARD

Chen Qiuhai
Executive Chairman and CEO

19 February 2013