



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 Lijiashan Forestry Co., Ltd (南平市李家山林业有限公司) (the “**Lessee**”), a wholly-owned subsidiary of the Company, has on 26 June 2015 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 effective date of the Agreement for an aggregate consideration of RMB48,470,400 (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 15,147 mu¹.

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

Pursuant to the 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 RMB48,470,400², 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 26 May 2015 (“**Valuation Report**”) commissioned by the Lessee and prepared by an

¹ Equivalent to approximately 10,103,049 square meters based on the measurement of 1 mu: 667 square meters.

² Equivalent to approximately S\$10,454,994 based on the exchange rate of RMB4.6361 : S\$1.00.

independent valuer, 厦门均达资产评估有限责任公司, the market value of the Plantation with a gross land area of approximately 15,147 mu³ as at 30 April 2015 was RMB55,667,160⁴.

Upon the Lessor deliver the Plantation to the Lessee, the Aggregate Consideration shall be payable in full to the Lessor no later than 10 August 2015.

4. Rationale

As announced by the Company previously, the Group has commenced harvesting of moso bamboo trees and bamboo shoots during the financial year ended 30 June 2014 (“FY2014”) and yielded positive results for the year. The Proposed Acquisition presents valuable business opportunity for the Group to further expand into bamboo plantation business.

Bamboo trees are used in a wide range of industries such as building and renovation materials and in furniture, textile, paper and pulp industries. Meanwhile, bamboo shoots are one of the most popular vegetables in the PRC because of their favorable taste and health benefits. Furthermore, the Proposed Acquisition could also 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 raw materials for the Group’s processed food products, from the Plantation.

The Group believes the bamboo plantation business will continue to generate a stable income stream in the future due to its higher resilience to fluctuating climate conditions experienced in recent years in the PRC. It will also enable the Group to diversify risks from largely being dependent on its shiitake mushroom business.

The aggregate moso bamboo plantation of the Group will increase from 100,845 mu⁵ to 115,992 mu⁶ after the Proposed Acquisition.

5. Source of Funds

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

³ Equivalent to approximately 10,103,049 square metres based on the measurement of 1 mu : 667 square metres.

⁴ Equivalent to approximately S\$12,007,325 based on the exchange rate of RMB4.6361: S\$1.00.

⁵ Equivalent to approximately 67,263,615 square meters based on the measurement of 1 mu : 667 square meters.

⁶ Equivalent to approximately 77,366,664 square meters based on the measurement of 1 mu : 667 square meters.

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 2014. 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 2013. 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 2014.

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)	766,054	766,054
Numbers of shares ('000)	502,202	502,202
NTA per share (RMB cents)	152.5	152.5

6.3 EPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit for the year (RMB'000)	102,590	102,590
Weighted average number of shares ('000)	500,327	500,327
EPS (RMB cents)	20.5	20.5

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

Rule	Relative Computation	Relative Figures
1006(a)	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
1006(b)	The net profits attributable to the assets acquired or disposed of compared to the Group's net profit.	Not Applicable
1006(c)	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.	18.4% ⁽¹⁾

1006(d)	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
1006(e)	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 RMB48,470,400 and the market capitalization of the Company of S\$56,770,053 (equivalent to approximately RMB263,191,644 based on the exchange rate of RMB4.6361 : S\$1.00), determined by multiplying the number of shares in issue of the Company (of 540,667,175 shares) by the weighted average price of S\$0.105 of such shares transacted on 25 June 2015, 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, saved 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 6 Battery Road, #10-01, Singapore 049909 for a period of three (3) months from the date of this Announcement.

By order of the Board

Chen Qiu hai
Executive Chairman and Chief Executive Officer
26 June 2015