



YAMADA GREEN RESOURCES LIMITED

(Company Registration No. 201002962E)

(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF A 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 Sanming Shansheng Forestry Co., Ltd. (三明山盛林业有限公司) (the “**Lessee**”), a wholly-owned subsidiary of the Company, has on 28 January 2016 entered into an agreement (the “**Agreement**”) with 将乐县山丰竹业有限公司 (Jiangle Shanfeng Bamboo Industry Co., Ltd.) (the “**Lessor**”), pursuant to which the Lessee shall lease from the Lessor a moso bamboo plantation of a gross land area of approximately 13,704 mu¹ (the “**Plantation**”) for a period of 10 years from the effective date of the Agreement, for an aggregate consideration of RMB41,797,200² (the “**Aggregate Consideration**”) via a direct business transaction (the “**Proposed Acquisition**”).

2. The Plantation

The Plantation is situated at Jiangle County, Fujian Province, People’s Republic of China and 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 all the benefits arising from the Plantation. The Lessee shall also be entitled to sub-lease the Plantation to third parties, however, this is subject to the Lessor’s prior consent.

3. Aggregate Consideration

The Aggregate Consideration for the Proposed Acquisition is RMB41,797,200², 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 22 January 2016 (“**Valuation Report**”) commissioned by the Lessee and prepared by an 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 13,704 mu¹ as at 31 December 2015 is RMB45,614,095³.

Upon the effective date of the Agreement, Lessee shall pay the Lessor the Aggregate Consideration in full by 15 April 2016.

¹. Equivalent to approximately 9,140,568 square meters based on the measurement of 1 mu: 667 square meters.

². Equivalent to approximately S\$9,069,982 based on the exchange rate of RMB4.6083 : S\$1.00.

³. Equivalent to approximately S\$9,898,248 based on the exchange rate of RMB4.6083: S\$1.00.

4. Rationale for the Proposed Acquisition

The Proposed Acquisition presents potential valuable business opportunity to the Group, and the location of the Plantation is adjacent to the entity newly invested in December 2015, as such, the Group will potentially be able to achieve a greater economies of scale as a result of this Proposed Acquisition.

In addition, 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 favourable taste and health benefits.

After the Proposed Acquisition, the Group will have an aggregate moso bamboo plantations of 129,696 mu⁴, an increase of 13,704 mu from 115,992 mu⁵.

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 2015 ("FY2015"). 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 2014. 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 2015.

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 Proposed Acquisition	After Proposed Acquisition
NTA (RMB'000)	873,513	873,513
Numbers of shares ('000)	540,667	540,667
NTA per share (RMB cents)	161.6	161.6

⁴. Equivalent to approximately 86,507,232 square meters based on the measurement of 1 mu : 667 square meters.

⁵. Equivalent to approximately 77,366,664 square meters based on the measurement of 1 mu : 667 square meters.

6.3 **EPS**

	Before Proposed Acquisition	After Proposed Acquisition
Net profit for FY2015 (RMB'000)	86,229	86,229
Weighted average number of shares ('000)	534,560	534,560
EPS (RMB cents)	16.1	16.1

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 profits.	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.	17.87% ⁽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

Notes:

- (1) Based on the Aggregate Consideration of RMB41,797,200 and the market capitalization of the Company of S\$50,768,647 (equivalent to approximately RMB233,957,156 based on the exchange rate of RMB4.6083 : S\$1.00), determined by multiplying the number of shares in issue of the Company (of 162,200,151 shares) by the weighted average price of S\$0.313 of such shares transacted on 27 January 2016, 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
29 January 2016